

BEGIN - JULY 26, 1961

80.24-1239

A40WX (BJTS)

AMS BUDGET (850)

NIGHT LEAD KENNEDY-BERLIN
BY DOUGLAS B. CORNELL

WASHINGTON, JULY 26 (AP)-PRESIDENT KENNEDY ASKED A WILLING, EAGER CONGRESS TODAY FOR MONEY AND POWER TO FREEZE MILITARY MEN IN SERVICE AND CALL 250,000 RESERVES TO ACTIVE DUTY FOR A YEAR.

THIS WAS PART OF A SWIFT FLURRY OF ACTION IN THE WAKE OF KENNEDY'S APPEAL TO THE NATION TO GET READY TO FIGHT, IF NEED BE, TO PRESERVE THE FREEDOM OF WEST BERLIN AND THE WORLD AGAINST OMINOUS THREATS FROM THE KREMLIN. THERE WERE OTHER STEPS:

THE DRAFT WAS EXPANDED--THE AUGUST QUOTA GOES UP FROM 8,000 TO 13,000 MEN AND THAT FOR SEPTEMBER TO 20,000. CONGRESS THREW BIPARTISAN BACKING BEHIND KENNEDY. BILLS WENT INTO THE HOPPER. A \$3.5-BILLION DOLLAR FUND FOR FINANCING MORE MILITARY MANPOWER, MISSILES, PLANES AND CIVIL DEFENSE STARTED ON THE LEGISLATIVE CIRCUIT THROUGH CONGRESS.

SECRETARY OF DEFENSE ROBERT S. McNAMARA SPOKE UP FOR THE EXTRA MONEY BEFORE A SENATE APPROPRIATIONS SUBCOMMITTEE:

"WHAT WE ARE SEEKING TO ACHIEVE, AND ACHIEVE QUICKLY, IS A PEAK READINESS OF OUR MILITARY ESTABLISHMENT TO RESPOND PROMPTLY WITH APPROPRIATE FORCES AND IN ADEQUATE STRENGTH TO ANY KIND OF ARMED COMMUNIST AGGRESSION ANYWHERE IN THE WORLD, AND TO MAINTAIN THAT POSTURE UNTIL WE CAN SEE MORE CLEARLY WHAT LIES AHEAD."

WITHOUT RULING OUT POSSIBLE USE OF TACTICAL NUCLEAR WEAPONS, THE SECRETARY SAID THE DEFENSE BUILD-UP IS DESIGNED TO GIVE THE MILITARY MORE NON-NUCLEAR PUNCH AND THEREFORE "A GREATER DEGREE OF FLEXIBILITY IN RESPONDING TO PARTICULAR SITUATIONS."

THIS WAS PUTTING INTO SOMEWHAT DIFFERENT WORDS WHAT KENNEDY SAID LAST NIGHT IN A STERN, STRAIGHT-TALKING ADDRESS TO THE AMERICAN PEOPLE. IN IT, THE PRESIDENT PUT SQUARELY TO SOVIET PREMIER NIKITA S. KHRUSHCHEV A CHOICE OF FIGHTING OR TALKING OVER BERLIN. HE SAID THE UNITED STATES WILL BE READY TO DO EITHER, BUT NEVER TO SURRENDER.

THE COMMUNIST THREAT IS WORLDWIDE, KENNEDY SAID, BUT BERLIN IS "THE GREAT TESTING PLACE OF WESTERN COURAGE AND WILL." HE WARNED KHRUSHCHEV NOT TO MAKE THE MISTAKE OF LOOKING ON BERLIN AS A TEMPTING TARGET.

"WE DO NOT WANT TO FIGHT--BUT WE HAVE FOUGHT BEFORE," KENNEDY SAID. THEN TODAY, WITH TELEGRAMS OF ENCOURAGEMENT FLOODING INTO THE WHITE HOUSE, KENNEDY HIMSELF SWUNG FROM TALK TO ACTION.

IN A FIGURE-FILLED BUT ~~THESE~~ MESSAGE HE ASKED CONGRESS FOR THE ADDITIONAL APPROPRIATION OF \$3,454,000,000 FOR THE ARMED FORCES AND CIVIL DEFENSE. OF THE TOTAL, \$2,740,000,000 WOULD BE SPENT IN THE FISCAL YEAR WHICH BEGAN JULY 1. THIS WOULD BOOST SPENDING FOR THE YEAR TO A PEACETIME PEAK OF \$87.73 BILLION AND PRODUCE A BUDGET DEFICIT OF MORE THAN \$5 BILLION.

ON THE HEELS OF THE MONEY REQUEST WENT THE DRAFT OF THE MANPOWER LEGISLATION KENNEDY WANTS. IT WOULD AUTHORIZE HIM TO:

1. ORDER UP TO 250,000 MEMBERS OF THE READY RESERVE INTO ACTIVE SERVICE FOR 12 MONTHS. EITHER AS UNITS OR INDIVIDUALS.

2. KEEP IN SERVICE FOR AN EXTRA YEAR ANYONE IN ANY OF THE ARMED SERVICES WHOSE ENLISTMENT OR OTHER OBLIGATION FOR DUTY NORMALLY WOULD END IN THE PRESENT FISCAL YEAR THAT CLOSES NEXT JUNE 30.

IN SUPPORT OF A PRESIDENT WHO ASKED LAST NIGHT FOR THE NATION'S GOOD WILL, HELP AND PRAYERS, CONGRESS REACTED WITH SPEED AND A STRICKING SHOW OF BIPARTISAN FERVOR.

RESOLUTIONS TO GIVE KENNEDY THE AUTHORITY HE ASKED WERE INTRODUCED AT ONCE IN BOTH SENATE AND HOUSE. CHAIRMEN OF THE SENATE AND HOUSE ARMED SERVICES COMMITTEES PLEDGED FAST ACTION.

NOT A VOICE WAS RAISED IN PROTEST AGAINST THE SIZE OR PURPOSE OF THE STEPPED-UP DEFENSE FUND.

REPUBLICANS SEEMED WILLING TO OUTDO THE DEMOCRATS IN SPEED. THEIR PARTY LEADERS IN THE SENATE HELD A POLICY MEETING, PLEDGED COMPLETE COOPERATION IN WHAT THEY CALLED AN EMERGENCY SITUATION, AND TALKED ENTHUSIASTICALLY OF RUSHING THE MONEY TO KENNEDY BY NEXT TUESDAY NIGHT.

BUT DEMOCRATIC LEADERS SAID THE MACHINERY COULDN'T ROLL THAT FAST. SENATE MAJORITY LEADER MIKE MANSFIELD, D-MONT., FIGURED IT WOULD BE FRIDAY OF NEXT WEEK BEFORE AN EXPANDED APPROPRIATION FOR DEFENSE COULD BE PILOTED ONTO THE SENATE FLOOR.

THE SENATE ARMED SERVICES COMMITTEE SET NO DATE FOR HEARINGS ON LEGISLATION TO AUTHORIZE AN EXPANSION OF MILITARY MANPOWER AND EQUIPMENT, ALTHOUGH THERE WERE ASSURANCES AGAINST DELAY. CHAIRMAN CARL VINSON, D-GA., SAID THE HOUSE COMMITTEE WILL LAUNCH HEARINGS FRIDAY.

ONE BILL WOULD AUTHORIZE \$612,200,000 FOR AIRCRAFT FOR THE ARMED SERVICES, \$304,770,000 FOR MISSILES AND \$41,600,000 FOR NAVAL VESSELS. THIS ADDS UP TO NEARLY \$960 MILLION. OTHER WEAPONS AND EQUIPMENT WILL BRING THE EQUIPMENT BUYING FIGURE UP TO \$1,753,000,000, AS KENNEDY LISTED THE ITEM IN HIS LEGISLATIVE REQUEST.

KENNEDY PROPOSED \$751,000,000 FOR STEPPING UP MANPOWER, \$743,000,000 FOR OPERATING AND MAINTENANCE EXPENSES, AND \$207,600,000 FOR CIVIL DEFENSE.

DETAILS OF WHAT THE ADMINISTRATION INTENDS TO DO--AND SOME DISCREPANCIES--WERE COMING TO LIGHT. SOME QUESTIONS WENT UNANSWERED.

JUST WHAT READY RESERVE UNITS MAY BE CALLED TO ACTIVE DUTY WAS LEFT IN DOUBT. NOR WAS THERE AN IDENTIFYING OF WHICH NATIONAL GUARD AIR TRANSPORT AND FIGHTER SQUADRONS WILL BE PUT ON ACTIVE DUTY TO HELP FERRY TROOPS TO TROUBLE SPOTS AND GUARD THEM ON THE WAY, IF NECESSARY.

WHEREAS KENNEDY'S FIGURES FOR EXPANDING THE ARMED FORCES ADDED UP TO 217,000, McNAMARA MENTIONED ABOUT 225,000.

FOR THE ARMY, KENNEDY PROPOSED TO ADD 125,000 EXTRA MEN TO 5,000 PREVIOUSLY REQUESTED AND RAISE ITS STRENGTH FROM 870,000 TO 1,000,000. THE AIR FORCE WOULD BE RAISED FROM 823,000 TO 888,000, BY MEANS OF A PREVIOUSLY REQUESTED 2,000 INCREASE AND A NEW 63,000 ONE.

THE NAVY WOULD EXPAND FROM 625,000 TO 657,000 MEN THROUGH A 3,000 EXPANSION RECOMMENDED EARLIER AND A CURRENT ONE OF 29,000. NO ADDITIONAL MANPOWER WAS ASKED FOR THE MARINES BEYOND A PREVIOUSLY PROPOSED ADDITION OF 15,000. THAT WOULD EXPAND THE CORPS FROM 175,000 TO 190,000 MEN.

THE TOTAL INCREASE FOR ALL THE SERVICES WOULD BE FROM 2,493,000 TO 2,735,000 MEN.

MUCH OF THE EMPHASIS WILL BE PUT ON BRINGING UP THE STRENGTH OF EXISTING MILITARY UNITS AND BOOSTING THEIR ABILITY TO FIGHT. McNAMARA SAID THAT BY THE END OF 1961 THE ADMINISTRATION INTENDS TO HAVE EIGHT COMBAT READY DIVISIONS IN THE UNITED STATES--SIX ARMY, TWO MARINE.

THE ARMY NOW HAS 14 DIVISIONS, THE MARINES 3 PLUS THE NUCLEUS FOR A FOURTH WHICH NOW WILL BROUGHT UP TO FULL STRENGTH.

IN EUROPE--THE ARMY HAS FIVE DIVISIONS THERE--MCNAMARA SAID THE FORCES WILL BE ROUNDED OUT WITH MANPOWER AND SUPPORTING UNITS.

EXPERTS ON CAPITOL HILL SAID NO LEGISLATION IS REQUIRED TO RAISE LEGAL LIMITS ON THE SIZE OF THE ARMED FORCES, BECAUSE SUCH LIMITS WERE WIPE OUT BY A DECLARATION OF NATIONAL EMERGENCY AT THE TIME OF THE KOREAN WAR. THE PRESENT LIMITS ON SIZE ARE FIXED BY THE FUNDS CONGRESS PROVIDES.

NOR, THESE EXPERTS SAID, WAS THERE ANY REAL NEED FOR KENNEDY TO DECLARE A STATE OF LIMITED EMERGENCY, AS ONCE WAS CONSIDERED, TO BULWARK

THE STEPS HE NOW WANTS TO TAKE. KENNEDY COULD HAVE DONE THIS ON HIS OWN AUTHORITY.

THE UNDERSTANDING IN SOME CONGRESSIONAL QUARTERS WAS THAT IT WOULD LOOK LESS BELLIGERENT TO ASK CONGRESS TO PASS SPECIFIC LEGISLATION MENTIONING SPECIFIC NUMBERS OF MEN. THIS ALSO HAD THE ADVANTAGE OF BRINGING CONGRESS DIRECTLY INTO THE DEFENSE BUILD-UP, TONING DOWN POSSIBLE SCARE TALK, AND PERHAPS TALK OF PRICE AND WAGE AND OTHER CONTROLS.

AMERICAN DEFENSE

AMS BUDGET (620)

NIGHT LEAD KENNEDY-CONGRESS
BY STANLEY MEISLER

WASHINGTON, JULY 26 (AP)-BOTH REPUBLICANS AND DEMOCRATS LED A DRIVE IN CONGRESS TODAY TO GIVE PRESIDENT KENNEDY ALL THE MONEY HE WANTS TO FACE THE BERLIN CRISIS. HE SHOULD GET IT BY NEXT WEEK.

Senate Republican leaders met and announced they would help Democrats rush passage of a defense appropriations bill swollen by the extra \$3 1/2 billion requested by the president today.

"I THINK THE TIMETABLE IS TO HAVE IT ON THE PRESIDENT'S DESK BY NEXT TUESDAY NIGHT," SAID SENATE REPUBLICAN LEADER EVERETT M. DIRKSEN OF ILLINOIS.

DEMOCRATS, HOWEVER, THOUGHT DIRKSEN OPTIMISTIC. SOME OF THEM SAID PAPERWORK AND DEBATE WOULD DELAY PASSAGE OF THE BILL UNTIL LATE NEXT WEEK.

IN THE HOUSE, MEANWHILE, STEPS WERE TAKEN TO RUSH KENNEDY'S OTHER REQUESTS THROUGH CONGRESS.

REP. CARL VINSON, D-GA., CHAIRMAN OF THE HOUSE ARMED SERVICES COMMITTEE, INTRODUCED BILLS COVERING THE PRESIDENT'S REQUESTS TO BUILD UP MILITARY MANPOWER AND EQUIPMENT.

THE BILLS, AMONG OTHER THINGS, WOULD AUTHORIZE THE PRESIDENT TO ACTIVITATE 250,000 RESERVISTS, EXTEND ENLISTMENTS, AND BUY \$958,570,000 WORTH OF AIRCRAFT, MISSILES, AND NAVAL VESSELS.

MOST OF THE DRAMA COVERING THE PRESIDENT'S REQUESTS WILL BE PLAYED IN THE SENATE, WHERE MEMBERS OF BOTH PARTIES PRAISED THE PRESIDENT'S SPEECH TO THE NATION LAST NIGHT AND HIS BUDGET PROPOSALS TO CONGRESS TODAY.

THE HOUSE ALREADY HAS PASSED A DEFENSE APPROPRIATIONS BILL. IT IS NOW BEING CONSIDERED BY THE SENATE DEFENSE APPROPRIATIONS SUBCOMMITTEE.

THIS MEANS LEGISLATIVE PROCEDURE LIKELY WILL FOLLOW THESE LINES: THE SENATE SUBCOMMITTEE WILL FINISH HEARINGS ON THE BILL. ITS PARENT COMMITTEE WILL RECOMMEND APPROVAL. THE SENATE WILL PASS IT. THE SENATE VERSION THEN WILL INCLUDE THE PRESIDENT'S NEW REQUESTS WHILE HOUSE VERSION PREVIOUSLY PASS WILL NOT. THE HOUSE WILL VOTE AGAIN AND LIKELY WILL ACCEPT THE FATTER SENATE BILL.

SEN. A. WILLIS ROBERTSON, D-VA., ACTING CHAIRMAN OF THE SUBCOMMITTEE, SUGGESTED THIS TIMETABLE:

HIS SUBCOMMITTEE MAY COMPLETE HEARINGS TODAY, AND THE STAFF WILL COMPLETE PAPERWORK FOR A SUBCOMMITTEE VOTE FRIDAY. THE REPORT WILL BE READY FOR A FULL COMMITTEE VOTE NEXT TUESDAY. THEN DEBATE COULD BEGIN ON THE SENATE FLOOR.

SENATE DEMOCRATIC LEADER MIKE MANSFIELD OF MONTANA SAID THE BILL PROBABLY WOULD REACH THE SENATE FLOOR FRIDAY OF NEXT WEEK.

AFTER THE REPUBLICAN MEETING, DIRKSEN SAID, "THIS IS AN EMERGENCY SITUATION, AND I THINK THERE WILL BE NO DIFFICULTY FOR THE PRESIDENT'S REQUESTS... THERE IS GOING TO BE NO FOOLING."

SEN. STYLES BRIDGES, R-N. H., CHAIRMAN OF THE REPUBLICAN POLICY COMMITTEE, AGREED WITH DIRKSEN AND PRAISED KENNEDY'S SPEECH.

"I BELIEVE AND I HOPE IT IS NOW CLEAR TO OUR ENEMIES AS WELL AS TO OUR FRIENDS THE STRONG POSITION WE HAVE TAKEN," BRIDGES SAID. ALTHOUGH THE PRESIDENT'S PROPOSALS DREW BIPARTISAN SUPPORT, SOME CONSERVATIVES SUGGESTED THAT THE INCREASE IN DEFENSE SPENDING SHOULD BE ACCOMPANIED BY CUTS IN DOMESTIC SPENDING.

SEN. HARRY F. BYRD, D-VA., FOR EXAMPLE, SAID KENNEDY'S SPEECH WAS

"A POWERFUL STATEMENT OF THE AMERICAN POSITION."

BUT BYRD SAID IT WILL MEAN "HUGE DEFICITS OR HUGE TAXATION" UNLESS KENNEDY IS WILLING TO CURTAIL "ALL NON-DEFENSE EXPENDITURES" INCLUDED ALL THOSE HE RECOMMENDED WHEN TAKING OFFICE IN JANUARY.

"VAST INCREASES IN BOTH NON-DEFENSE AND DEFENSE EXPENDITURES AT THE SAME TIME WILL CREATE UNCONTROLLABLE INFLATION AND REOPEN THE RUN ON OUR GOLD," BYRD SAID.

THIS THEME WAS ECHOED BY REPUBLICANS. DIRKSEN SAID CONGRESS "HAS THE RESPONSIBILITY TO RESIST SPENDING PROPOSALS THAT ARE NOT IN THE FRAMEWORK OF OUR SECURITY, SURVIVAL AND DEFENSE."

SEN. GORDON ALLOTT, R-COLO., SAID INCREASED DEFENSE SPENDING MEANS THE COUNTRY HAS "TO CUT THE FAT OUT OF OUR DAILY LIVES AND OUT OF OUR UNNECESSARY EXPENDITURES."

BRIDGES, LIKE BYRD, BROUGHT UP THE POSSIBILITY OF NEW TAXES.

"I THINK THE ADMINISTRATION WILL HAVE TO CONSIDER NEW TAXES UNLESS OUR RESERVES JUMP BY FAR GREATER BOUNDS THAN ANTICIPATED," BRIDGES SAID. SENATE DEMOCRATIC LEADER MIKE MANSFIELD OF MONTANA STRESSED TO THE SENATE SOME OF THE CONCILIATORY NOTES IN KENNEDY'S SPEECH.

"MR. KENNEDY IS LOOKING SQUARELY AT THE DANGERS IN THE SITUATION AND ACTING PRUDENTLY WITH RESPECT TO THEM," MANSFIELD SAID. "BUT HE HAS NOT CLOSED ANY DOORS TO PEACEFUL SETTLEMENT THROUGH NEGOTIATIONS."

"THE DOORS ARE AND WILL REMAIN OPEN TO HONEST, GIVE-AND-TAKE NEGOTIATIONS."

"IT IS THE HIGHEST DUTY OF STATESMEN OF ALL NATIONS, THE DEEPEST RESPONSIBILITY WHICH THEY HAVE TO THEIR OWN PEOPLES AND TO HUMANITY TO SEE TO IT THAT THEY REMAIN OPEN."

IN ITS STATEMENT, THE REPUBLICAN CONGRESSIONAL COMMITTEE SAID:

"THE DEFENSE BUILDUP HE (KENNEDY) PROPOSES WILL COST AN ADDITIONAL \$3.5 BILLION AND WILL RUN UP THE CURRENT FISCAL DEFICIT TO WELL ABOVE \$5 BILLION. IF WE ARE TO KEEP OUR ECONOMY STRONG, MR. KENNEDY MUST SHELVE UNNECESSARY CIVILIAN SPENDING FOR THE DURATION OF THE INTERNATIONAL EMERGENCY."

"WE CANNOT, IN SHORT, AFFORD THE FAT OF SOCIAL EXPERIMENTATION AT THIS TIME IF WE ARE TO DEVELOP THE SINWS OF SURVIVAL."

THE COMMITTEE SUGGESTED SUCH STEPS AS A REDUCTION IN MIDDLE INCOME HOUSING PROGRAMS, KEEPING FOREIGN AID PROGRAMS ON AN ANNUAL BASIS "TO ENABLE CONGRESS TO EFFECT SAVINGS IN AREAS WHERE NEEDED," CUTTING BACK ON THE AREA REDEVELOPMENT, BARRING SUBSIDIES FOR RETIREMENT OF CROP LAND ON WHICH THERE HAS BEEN NO PRODUCTION IN THE PAST, AND ABANDONING THE PEACE CORPS.

IN A SPEECH TO THE HOUSE, REP. JOHN W. BYRNES, R-WIS., SPEAKING FOR THE REPUBLICANS ON THE WAYS AND MEANS COMMITTEE, LISTED PROGRAMS HE FELT SHOULD BE TRIMMED OR ELIMINATED.

THEY INCLUDED SCHOOL AID, HOUSING AND WATER POLLUTION CONTROL ACTS AND FOREIGN AID.

BYRNES, WHO IS ALSO CHAIRMAN OF THE HOUSE REPUBLICAN POLICY COMMITTEE, SAID THAT, IF THE KENNEDY PROPOSALS ARE ENACTED, THE DEFICIT, ESTIMATED BY THE ADMINISTRATION AT MORE THAN \$5 BILLION, ACTUALLY WILL BE IN THE \$7 BILLION TO \$10 BILLION RANGE.

IN THEIR JOINT LETTER, THE WAYS AND MEANS REPUBLICANS WROTE:

"THE SHOCKING FACT OF THE FISCAL IMPLICATION OF YOUR NEW DEFENSE PROPOSALS IS NOT SO MUCH FOUND IN YOUR FAILURE TO POINT THE WAY TO TAX REVENUES TO FINANCE THE NEW DEFENSE COSTS BUT INSTEAD IS LARGEY FOUND IN YOUR APPARENT UNWILLINGNESS TO MAKE ANY DOWNWARD REVISION IN PENDING PROPOSALS FOR OPTIONAL NON-DEFENSE SPENDING SO AS TO MINIMIZE THE TAX BURDEN BEQUEATHED TO TOMORROW."

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A50WX

AMS BUDGET (480)
NIGHT LEAD TAXES-DEFICIT
BY JERRY T. BAULCH

WASHINGTON, JULY 26 (AP)-THE TREASURY ESTIMATED TODAY THAT PRESIDENT KENNEDY'S NEW DEFENSE SPENDING, COUPLED WITH IMPROVEMENTS IN THE ECONOMY, WILL GENERATE \$1 BILLION MORE FEDERAL INCOME THAN PREVIOUSLY COUNTED ON.

THIS, THE TREASURY SAID, IS HOW KENNEDY REACHED HIS FIGURE OF A DEFICIT THIS YEAR OF "OVER \$5 BILLION." THE TREASURY PUT IT PRECISELY AT \$5.3 BILLION.

IF CONGRESS AS EXPECTED GIVES KENNEDY ALL THE \$3.45 BILLION IN EXTRA MONEY HE ASKED TODAY TO MEET THE COMMUNIST THREAT IT WILL RAISE THE CURRENT FISCAL YEAR SPENDING TO \$87.73 BILLION.

THIS WOULD TOP THE NATION'S EXPENDITURES FOR ANY SINGLE YEAR EXCEPT IN WORLD WAR II, WHEN THEY ROSE TO \$98.42 BILLION IN FISCAL 1945.

MEANWHILE, THE STAFF OF THE SENATE-HOUSE COMMITTEE ON INTERNAL REVENUE TAXATION RAISED THE PROSPECT THAT THE ACTUAL DEFICIT FIGURES MAY BE MORE THAN \$1 BILLION OVER THE ADMINISTRATION'S ESTIMATES.

THE DIFFERENCE INVOLVES TWO PRINCIPAL FACTORS--CONGRESSIONAL RELUCTANCE TO GO ALONG WITH KENNEDY'S URGINGS FOR HIGHER POSTAL RATES AND DIFFERENT FIGURES ON HOW MUCH MONEY THE TREASURY WILL TAKE IN.

KENNEDY MADE A NEW PLEA IN HIS TV-RADIO ADDRESS LAST NIGHT FOR WIPING OUT THE POST OFFICE DEPARTMENT'S OPERATING DEFICIT. HIS MESSAGE TO CONGRESS TODAY DID NOT MENTION THIS, NOR DID IT TOUCH ON THE PROBLEM OF THE DEFICIT AND THE OVER-ALL BUDGET TOTAL. THE MESSAGE WAS CONFINED TO THE MILITARY PORTION OF THE BUDGET.

NEITHER DID KENNEDY REPEAT HIS STATEMENT OF LAST NIGHT THAT HE WILL ASK FOR A TAX INCREASE NEXT YEAR IF NECESSARY TO KEEP "STRICTLY IN BALANCE" THE BUDGET FOR THE NEXT FISCAL YEAR.

THE SENATE-HOUSE REPORT DID NOT TAKE INTO ACCOUNT KENNEDY'S NEW SPENDING REQUESTS SENT TO CONGRESS TODAY. BUT IT CHALLENGED THE TREASURY'S EARLIER CALCULATION THAT THE CURRENT DEFICIT WOULD TOTAL \$3.5 BILLION TO \$3.7 BILLION.

ASIDE FROM THE NEW BUILDUP, THE STAFF REPORT PLACED THE PROBABLE DEFICIT AT \$4.9 BILLION.

THE STAFF STUDY IGNORED THE MORE THAN \$700 MILLION FOR INCREASED POSTAL RATES THAT WENT INTO THE ADMINISTRATION'S CALCULATIONS. AND IT ESTIMATED FEDERAL INCOME AT \$500 MILLION LESS--\$80.9 BILLION INSTEAD OF \$81.4 BILLION.

TOUCHING ON THE ADMINISTRATION'S ARGUMENT THAT THE BOOST IN DEFENSE SPENDING WILL HELP SPUR THE ECONOMY AND BRING IN MORE FEDERAL REVENUE, THE REPORT SAID:

"AN INCREASE IN DEFENSE SPENDING MIGHT BRING INCREASED ECONOMIC ACTIVITY, HIGHER LEVELS OF INCOME AND PROFITS THAN THOSE ASSUMED BY THE STAFF, AND SOME INCREASE IN REVENUES IN FISCAL 1963..."

"BUT IT SEEMS UNLIKELY THAT THE INCREASE IN REVENUES WOULD BE AS GREAT AS THE INCREASE IN EXPENDITURES."

A BUDGET BUREAU SPOKESMAN COMMENTED THAT THE NEW SPENDING BILL GENERATE SUBSTANTIAL EXTRA REVENUES, MOSTLY IN THE FORM OF TAXES PAID ON THE ACCELERATED EARNINGS OF DEFENSE CONTRACTORS. THIS, HE SAID, WOULD OFFSET TO SOME EXTENT THE JUMP IN GOVERNMENT COSTS.

THE BUREAU SAID THE EXACT FIGURES MUST BE AN APPROXIMATION NOW BUT THAT OBVIOUSLY THE DEFICIT WOULD BE "MORE THAN \$5 BILLION."

ALSO INVOLVED ARE QUESTIONS OF WHETHER CONGRESS WILL HEED KENNEDY'S NEW URGING FOR CONGRESS TO CLOSE WHAT HE TERMS TAX LOOHOPLES, AS WELL AS RAISE POSTAL RATES, AND TAP OTHER SOURCES OF UNTAXED INCOME. MOST OF THESE PROPOSALS HAVE BEEN STYMIED IN CONGRESS SO FAR.

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A36WX

(850) AMS BUDGET
NIGHT LEAD KENNEDY-MILITARY
BY FRED S. HOFFMAN

WASHINGTON, JULY 26 (AP)-THE PENTAGON TODAY MADE A FAST START ON PRESIDENT KENNEDY'S NEW MILITARY BUILDUP. IT ORDERED A SHARP INCREASE IN THE AUGUST DRAFT CALL AND ASKED CONGRESS FOR BILLIONS OF DOLLARS TO MUSTER ANOTHER QUARTER OF A MILLION MEN.

SECRETARY OF DEFENSE ROBERT S. McNAMARA WENT BEFORE A SENATE APPROPRIATIONS SUBCOMMITTEE WITH PLANS TO "ACHIEVE QUICKLY...A PEAK READINESS" TO RESPOND TO ANY KIND OF ARMED COMMUNIST AGGRESSION ANYWHERE IN THE WORLD.

MCNAMARA SPECIFIED HOW THE DEFENSE DEPARTMENT WOULD SPEND AN ADDITIONAL \$3,454,000,000 TO INCREASE THE ARMED FORCES TO A TOTAL OF 2,743,000 MEN, ARM THEM WITH MORE MISSILES AND OTHER MODERN WEAPONS, AND PREPARE TO SEND MORE FIGHTING MEN OVERSEAS SWIFTLY IF THE NEED AROSE IN BERLIN OR ELSEWHERE.

WHILE THE PENTAGON CHIEF WAS BEFORE THE SENATE GROUP, THE DEFENSE DEPARTMENT ANNOUNCED IT WAS INCREASING THE AUGUST DRAFT CALL FROM 8,000 TO 13,000. ALL THE DRAFTEES WILL SERVE IN THE ARMY.

IN OUTLINING PARTIAL MOBILIZATION PLANS LAST NIGHT, KENNEDY SAID DRAFT CALLS WILL BE DOUBLED OR TRIPLED IN THE COMING MONTHS. HE SENT HIS FORMAL MILITARY BUILDUP REQUEST TO CONGRESS TODAY.

MCNAMARA TOLD THE SENATE SUBCOMMITTEE THE SEPTEMBER DRAFT CALL WOULD COME TO AT LEAST 20,000 TO BRING THE ARMY CLOSER TO THE NEW GOAL OF ONE MILLION MEN--AN INCREASE OF ABOUT 133,000. SELECTIVE SERVICE OFFICIALS SAID THEY HAD NOT YET RECEIVED ANY FORMAL REQUEST FOR A SEPTEMBER LEVY.

WHILE INDICATING NO IMMEDIATE CALLUP OF NATIONAL GUARD OR RESERVE UNITS, MCNAMARA ASKED FOR LEGISLATION THAT WOULD AUTHORIZE THE PRESIDENT TO ORDER TO ACTIVE DUTY UP TO 250,000 MEMBERS OF THE READY RESERVE.

THE RESOLUTION, INTRODUCED BY KEY REPUBLICAN AND DEMOCRATIC CONGRESS MEMBERS, WOULD PERMIT SUCH RESERVISTS TO BE KEPT ON DUTY FOR UP TO A YEAR AND WOULD ALLOW THE PRESIDENT TO EXTEND SERVICE TOURS BY AS MUCH AS 12 MONTHS.

FURTHER, THE PRESIDENT WOULD BE EMPOWERED TO EXTEND THE TRAINING PERIODS OF SELECTIVE RESERVISTS AND UNITS NOT ON FULL-TIME ACTIVE DUTY BY TWO TO FOUR WEEKS.

IF KENNEDY HAD CHOSEN TO INVOKE EMERGENCY POWERS THAT HAVE BEEN IN EFFECT SINCE THE KOREAN WAR HE COULD HAVE CALLED TO ACTIVE DUTY AS MANY AS ONE MILLION READY RESERVISTS FOR TWO YEARS. HOWEVER, CONGRESS WOULD HAVE HAD TO SUPPLY THE NECESSARY FUNDS.

WITHOUT EXPLAINING WHY, KENNEDY DECIDED TO ASK CONGRESS FOR SPECIFIC AUTHORITY TO CALL AS MANY AS 250,000 MEN. PRESUMABLY THIS WAS DONE FOR A VARIETY OF PSYCHOLOGICAL REASONS.

HOWEVER, MCNAMARA SAID THAT IF IT SHOULD BECOME NECESSARY TO ORDER MORE THAN 250,000 RESERVISTS TO EXTEND ACTIVE DUTY IT WOULD BE DONE "NOT UNDER THE AUTHORITY OF THE JOINT RESOLUTION BUT RATHER UNDER A DECLARATION OF A NATIONAL EMERGENCY BY THE PRESIDENT OR AS A RESULT OF FURTHER CONGRESSIONAL ACTION."

THE NEARLY \$3.5 BILLION IN NEW DEFENSE FUNDS REQUESTED FOR THIS BOOKKEEPING YEAR WOULD BE BROKEN DOWN THIS WAY: ARMY \$1.44 BILLION, NAVY 985 MILLION, AIR FORCE \$754 MILLION AND MARINES \$67 MILLION.

MCNAMARA SAID THAT IN ORDER TO MEET SOVIET THREATS "WITH FIRMNESS AND CONFIDENCE AND TO PROVIDE US WITH A GREATER RANGE OF MILITARY ALTERNATIVES, WE WILL NEED MORE NON-NUCLEAR STRENGTH THAN WE HAVE TO-

HE SAID, TOO, THAT "WE EXPECT THAT OUR EUROPEAN ALLIES WILL WISH TO MAKE CORRESPONDING INCREASES IN THEIR OWN STRENGTH." ONE OF THE PRIMARY OBJECTIVES IS TO BRING TO FULL COMBAT STRENGTH THREE ARMY DIVISIONS NOW DETAILED TO TRAINING RECRUITS AND DRAFTEES.

THE THREE DIVISIONS, NOW AT ABOUT ONE-THIRD STRENGTH, ARE THE 1ST INFANTRY--THE "BIG RED ONE"--AT FT. RILEY, KAN., THE 2ND INFANTRY AT FT. BENNING, GA., AND THE 2ND ARMORED AT FT. HOOD, TEX.

ARMY OFFICIALS DECLINED TO GO INTO DETAILS BUT IT APPEARED LIKELY THAT PERHAPS 36,000 MEN WOULD BE NEEDED TO FILL OUT THESE THREE DIVISIONS. MCNAMARA SAID IT WOULD COST \$226 MILLION.

"BY THE END OF THE CURRENT CALENDAR YEAR, WE HOPE TO HAVE IN THE CONTINENTAL UNITED STATES EIGHT COMBAT READY DIVISIONS--SIX ARMY AND TWO MARINE CORPS," THE DEFENSE SECRETARY SAID.

ALSO, MCNAMARA SAID "WE...BELIEVE IT ADVISABLE AT THIS TIME TO PROVIDE FOR ROUNDING OUT THE MANNING AND SUPPORT OF ARMY FORCES IN EUROPE."

HE SAID THIS COULD INVOLVE "ANOTHER SUBSTANTIAL INCREMENT OF MEN AND A BUDGET INCREASE OF APPROXIMATELY \$150 MILLION."

LOOKING TO THE POSSIBILITY OF MOVING MORE TROOPS OVERSEAS, MCNAMARA SAID THE ADMINISTRATION IS ASKING FUNDS TO COVER THE COST OF TRANSPORTING ADDITIONAL DIVISIONS TO EUROPE.

"I WANT TO MAKE IT PERFECTLY CLEAR THAT NO DECISION HAS YET BEEN MADE TO DEPLOY ADDITIONAL DIVISIONS," THE DEFENSE SECRETARY SAID.

"NEVERTHELESS, WE WANT TO GET OURSELVES IN A POSITION TO IMPLEMENT PROPTLY SUCH A DECISION IF IT SHOULD BE MADE."

KENNEDY'S REQUEST FOR NEW ARMS AND EQUIPMENT FOR THE ARMY CAME TO \$552 MILLION, RAISING THE TOTAL FOR THIS FISCAL YEAR TO \$2,543,000,000. INCLUDED WERE FUNDS FOR BOMBARDMENT MISSILES, NON-NUCLEAR WARHEADS, ARMORED PERSONNEL CARRIERS, TRUCKS AND TRAILERS, AMMUNITION AND AIR-CRAFT.

GEN. LYMAN L. LEMNITZER, CHAIRMAN OF THE JOINT CHIEFS OF STAFF, WHO ACCOMPANIED MCNAMARA AT THE SUBCOMMITTEE SESSION, SAID THE CHIEFS FELT THE BUILDUP CALLED FOR BY KENNEDY "WILL SERVE TWO BASIC AND FUNDAMENTAL PURPOSES."

"FIRST," HE SAID, "THEY WILL IMPROVE THE CREDIBILITY OF OUR NATO NATIONAL POLICIES AS THEY WERE DESCRIBED IN THE PRESIDENT'S ADDRESS OF JULY 25--AND THE CREDIBILITY OF OUR TOTAL DETERRENT POSTURE.

"AND SECONDLY, THEY WILL PLACE US IN A BETTER POSITION TO IMPLEMENT MILITARY OPERATION ON WHATEVER SCALE MAY BE REQUIRED."

LEMNITZER TOLD THE SENATORS IT WOULD BE WRONG IF ANYONE WERE TO REGARD THE NEW PROGRAM "AS SYMPTOMATIC OF FUNDAMENTAL WEAKNESS."

"THE ARMED FORCES OF THE UNITED STATES ARE THE STRONGEST WE HAVE EVER MAINTAINED IN A TIME OF NOMINAL PEACE," LEMNITZER ASSERTED. "OUR STRATEGIC, LONG-RANGE DELIVERY FORCES ARE HIGHLY TRAINED STRONGLY ARMED, AND READY TO GO."

"OUR FLEETS, OUR CONTINENTAL DEFENSE FORCES, AND OUR DEPLOYED GROUND, SEA AND AIR FORCES MUST IMPRESS THOSE WHO NOW SEEK TO TEST OUR RESOLVE."

"IN SHORT, I AM CONFIDENT IN MY KNOWLEDGE OF OUR OWN STRENGTH."

MCNAMARA SPOKE OF PLANS TO TAKE IMMEDIATE STEPS TO EXPAND THE ARMY'S TRAINING CAPACITY. HE SAID THIS COULD INVOLVE A RELATIVELY LARGE NUMBER OF MEN AT A COST OF \$170 MILLION.

"IT MAY ALSO BE NECESSARY FOR THE ARMY TO ORDER TO ACTIVE DUTY FROM THE RESERVE FORCES CERTAIN SELECTED INDIVIDUALS AND SMALLER UNITS AND TO EXTEND THE TOURS OF PERSONNEL ALREADY ON ACTIVE DUTY," HE SAID.

TO IMPROVE THIS COUNTRY'S ABILITY TO MOVE TROOPS TO TROUBLE ZONES, MCNAMARA SAID THE PENTAGON PLANS TO BRING TROOP TRANSPORT SHIPS OUT OF RETIREMENT AND DEFER THE RETIREMENT OF OTHER VESSELS.

NAVY SOURCES INDICATED THAT 20 OR MORE AMPHIBIOUS CRAFT WOULD BE KEPT IN THE FLEET INSTEAD OF BEING MOTHBALLLED AND THAT UP TO 40 DESTROYERS, TRANSPORT TYPES AND OTHER CRAFT WOULD BE TAKEN OUT OF THE RESERVE FLEET.

TO INCREASE AIRLIFT CAPACITY, MCNAMARA SAID THE PENTAGON PLANS TO KEEP IN SERVICE SEVERAL SQUADRONS OF PROPELLOR DRIVEN C118 TRANSPORT PLANES WHICH HAD BEEN DUE FOR RETIREMENT.

"WE WOULD ALSO BE PREPARED TO ORDER TO ACTIVE DUTY C97 SQUADRONS FROM THE NATIONAL GUARD AND C124 SQUADRONS FROM THE AIR FORCE RESERVE," MCNAMARA SAID.

TO MEET A GROWING SOVIET SUBMARINE THREAT, MCNAMARA SAID THE NAVY INTENDS TO KEEP ON DUTY ANTISUBMARINE WARFARE SHIPS WHICH WERE SLATED FOR RETIREMENT.

TO BRING ABOUT AN INCREASE OF 29,000 IN NAVY STRENGTH, MCNAMARA SAID SOME MEN WOULD BE DRAWN FROM THE NAVAL RESERVE, THE REMAINDER OBTAINED THROUGH RECRUITING AND POSSIBLY BY EXTENDING TOURS OF ACTIVE DUTY PERSONNEL.

ON THE NAVY'S SHOPPING LIST, WHICH CAME TO \$709 MILLION, WERE ADDITIONAL CARRIER-BORNE ATTACK PLANES, FIGHTERS, PATROL CRAFT AND HELICOPTERS.

A TOTAL OF \$262 MILLION WAS INCLUDED FOR SUCH TACTICAL AND AIR DEFENSE MISSILES AS THE BULLPUP, THE SIDEWINDER, SPARROW, THE TARTAR AND OTHERS.

THE MARINE CORPS, WHICH PREVIOUSLY CAME IN FOR A 15,000-MAN INCREASE REQUESTED BY THE PRESIDENT, WOULD GET \$67 MILLION TO BUY AMMUNITION, COMMUNICATIONS AND ELECTRONICS EQUIPMENT, VEHICLES AND ENGINEER GEAR.

FOR THE AIR FORCE, WHICH WOULD GET 63,000 MORE MEN, PLANS CALL FOR RETAINING IN SERVICE CERTAIN LIGHT BOMBER AND RECONNAISSANCE AND TACTICAL FIGHTER SQUADRONS WHICH WERE TICKETED FOR PHASING OUT DURING THIS YEAR.

"THE AIR FORCE ALSO WILL BE IN A POSITION, IF NEED BE, TO ORDER TO ACTIVE DUTY AIR NATIONAL GUARD SQUADRONS AND TACTICAL AIRCRAFT CONTROL GROUPS," MCNAMARA SAID.

THIS, HE SAID, COULD INVOLVE A RELATIVELY LARGE NUMBER OF MILITARY PERSONNEL. UNDER THE HEADING OF AIR FORCE PROCUREMENT, A TOTAL OF \$425 MILLION WAS ASKED TO BUY AIRCRAFT AND EQUIPMENT FOR ADDITIONAL PLANES ON GROUND ALERT.

THE AIR FORCE LIST INCLUDES SUPERSONIC ALL WEATHER FIGHTER BOMBERS AND TURBOPROP TRANSPORTS, PLUS A LARGE NUMBER OF MISSILES FOR FIGHTER PLANES.

WHILE STRESSING CONVENTIONAL WARFARE READINESS, MCNAMARA SAID STEPS WILL BE TAKEN TO KEEP STRATEGIC BOMBERS IN A HIGH STATE OF READINESS.

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BULLETIN

FIRST LEAD DRAFT
WASHINGTON, JULY 26 (AP)--THE DEFENSE DEPARTMENT TODAY BOOSTED ITS AUGUST DRAFT CALL TO 13,000, AN INCREASE OF 5,000 OVER THE NUMBER PREVIOUSLY ORDERED FOR ARMY SERVICE NEXT MONTH.

THE ACTION CAME AS THE KENNEDY ADMINISTRATION PRESENTED TO CONGRESS ITS PLANS TO INCREASE THE ARMED FORCES BY ABOUT 217,000 BEYOND PRESENT LEVELS TO MEET A RUSSIAN THREAT TO BERLIN.

SECRETARY OF DEFENSE ROBERT S. MCNAMARA HAD ANNOUNCED EARLIER THAT THE DRAFT CALL FOR SEPTEMBER WOULD BE 20,000 MEN. THE CALL FOR JULY WAS 8,000 MEN--THE SAME AS THE AUGUST NUMBER BEFORE THE INCREASE.

IN ANNOUNCING THE INCREASED DRAFT CALL, THE PENTAGON SAID "THIS ACTION IS CONSISTENT WITH THE PRESIDENT'S PROGRAM TO IMPROVE THE POSTURE OF THE ARMED FORCES." AND THAT FOR AUGUST HIS 8,000

PRESIDENT KENNEDY, IN ANNOUNCING TO THE NATION LAST NIGHT HIS PLAN FOR PARTIAL MOBILIZATION, SAID DRAFT CALLS WOULD BE DOUBLED AND TRIPLED TO BRING ABOUT THE MILITARY BUILDUP.

(NO PICKUP)

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A7WX

(400) DRAFT-RESERVES
BY ELTON C. FAY

WASHINGTON, JULY 26 (AP)-HERE IS HOW THE DRAFT AND RESERVE SYSTEMS WORK OUT FOR MEN WHO MAY BE AFFECTED BY THE MOBILIZATION PROGRAM:

YOUTHS REGISTER WITH SELECTIVE SERVICE UPON REACHING THEIR 18TH BIRTHDAY. A POOL OF MEN WHO ALREADY HAVE RECEIVED PHYSICAL AND MENTAL EXAMINATIONS AND ARE CLASSIFIED FOR SERVICE IS MAINTAINED IN THE SELECTIVE SERVICE SYSTEM. FROM THIS POOL ARE DRAWN MEN WHO FILL THE MONTHLY DRAFT QUOTAS.

UNDER THE LAW, IT IS POSSIBLE TO EXAMINE AND PUT MEN IN POOLS WHEN THEY REACH THEIR 18TH BIRTHDAY. HOWEVER, SINCE THE END OF THE KOREAN WAR, THE AVERAGE POOL AGE HAS BEEN HIGHER, NOW ABOUT 23 YEARS. IT COULD BE LOWERED AGAIN UNDER THE NEW MOBILIZATION PROGRAM.

BOTH DRAFTEES AND VOLUNTEERS HAVE MILITARY OBLIGATIONS WHICH CARRY THEM ON INTO THE READY, AND THEN THE STANDBY, RESERVES UPON COMPLETING PERIODS OF ACTIVE DUTY.

IF A DRAFTEE OR VOLUNTEER WAS UNDER 26 YEARS OF AGE WHEN THE RESERVE FORCES ACT BECAME LAW IN 1955, HIS OBLIGATIONS TOTALS 6 YEARS--2 OF ACTIVE SERVICE, 2 IN THE READY RESERVES, 2 IN THE STANDBY RESERVES.

IF HE VOLUNTEERED BETWEEN THE AGES OF 17 AND 18 1/2 YEARS, HIS TOTAL TIME WOULD BE 8 YEARS--6 MONTHS ACTIVE DUTY; 3 YEARS IN THE READY RESERVES; 4 1/2 YEARS IN THE STANDBY.

IF, WHILE IN THE 18 1/2 THROUGH 25 AGE BRACKET, HE VOLUNTEERS, HIS TOTAL OBLIGATION WOULD BE 6 YEARS, OF WHICH 6 MONTHS WOULD BE ACTIVE DUTY, THE REST READY RESERVE.

THE LAW SAYS THAT GRADUATES OF RESERVE OFFICER TRAINING SCHOOLS HAVE A 6 TO 8 YEAR OBLIGATION. THOSE NEEDED BY THE ARMED FORCES SERVE 2 YEARS ACTIVE DUTY FOLLOWED BY 3 IN THE READY RESERVES. ALL OTHERS SERVE 6 MONTHS OF ACTIVE DUTY FOR TRAINING AND 7 1/2 YEARS IN THE READY RESERVE.

IN THE READY RESERVE, A MAN IS EXPECTED TO ENGAGE IN 48 SCHEDULED DRILLS OR TRAINING PERIODS AND NOT MORE THAN 17 DAYS OF ACTIVE DUTY TRAINING ANNUALLY. ACTIVE DUTY OF A READY RESERVIST CAN BE EXTENDED IN TWO WAYS: (1) UNDER PRESIDENTIAL PROCLAMATION OF A NATIONAL EMERGENCY (OR IN ACTUAL WARTIME) AND (2) UNDER DECLARATION OF EMERGENCY BY CONGRESS.

STANDBY STATUS IN WHICH RESERVISTS ULTIMATELY ARRIVE REQUIRES NO ACTIVE PARTICIPATION IN TRAINING. ESSENTIALLY, IT MERELY IS A LIST OF NAMES. HOWEVER, STANDBY RESERVISTS CAN BE CALLED, INVOLUNTARILY, TO ACTIVE DUTY AS A RESULT OF CONGRESSIONAL ACTION.

SO FAR, PRESIDENT KENNEDY IS MAKING NO MOVE TO CALL IN ARMY NATIONAL GUARD UNITS. THE DEFENSE DEPARTMENT INTERPRETS THE NATIONAL GUARD TO BE A "READY RESERVE" ORGANIZATION. THUS THE OBLIGATION. AND AGE GROUPS ARE THE SAME AS THOSE FOR THE RESERVE FORCES.
JC241PED

(180) PEACE CORPS (A26)

WASHINGTON, JULY 26 (AP)-PEACE CORPS DIRECTOR R. SARGENT SHRIVER, JR. SAID TODAY THAT IN EVENT OF WAR MEMBERS OF THE ORGANIZATION HE HEADS MIGHT BE RECALLED TO THIS COUNTRY IF OVERSEAS AND DRAFTED INTO THE ARMY.

THE STATEMENT WAS MADE IN RESPONSE TO A QUESTION AFTER HE HAD ADDRESSED THE AMERICAN LEGION-SPONSORED BOYS NATION, AN ASSEMBLY OF TOP RANKING HIGH SCHOOL YOUTHS.

FOLLOWING HIS TALK, IN WHICH HE OUTLINED GOALS OF THE CORPS, A YOUTH SENT UP THIS QUESTION TO HIM:

"IN THE EVENT THE UNITED STATES GOES TO WAR, WILL MEMBERS OF THE PEACE CORPS BE RECALLED TO THE UNITED STATES AND DRAFTED INTO THE ARMY?"

"I WOULD SUSPECT THAT THAT MIGHT HAPPEN, YES," SHRIVER REPLIED.

"WHAT IS DONE IN CASE THE UNITED STATES GOES TO WAR WILL BE A DETERMINATION MADE BY THE PRESIDENT OF THE UNITED STATES IN CONSULTATION WITH HIS HIGHEST ADVISERS AND WHAT THEY WOULD SPECIFICALLY DO ABOUT THE PEACE CORPS AT SUCH A TIME."

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"BUT THANK GOD WE HAVE NOT YET DISCUSSED IT IN GREAT DETAIL. THE WAR ISN'T THAT CLOSE--AT LEAST I HOPE NOT." THE PEACE CORPS IS COMPRISED OF GIRLS AND WOMEN AS WELL AS YOUNG MEN. ALL MUST BE 18 OR OVER.

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(300) EMERGENCY FOOD

WASHINGTON, JULY 26 (AP)-THE AGRICULTURE DEPARTMENT IS DEVELOPING A \$70 MILLION PROGRAM FOR RELOCATING AND STORING WHEAT FOR EMERGENCY USE IN 68 AREAS DESIGNATED AS POSSIBLE TARGETS IN EVENT OF WAR.

THE PROGRAM IS BEING FORMULATED BY A DEPARTMENT TASK FORCE COMMITTEE HEADED BY UNDERSECRETARY CHARLES S. MURPHY.

INVOLVED WOULD BE THE STORAGE OF 213 MILLION BUSHELS OF GOVERNMENT-OWNED SURPLUS WHEAT IN AND CLOSE TO THE 68 AREAS. THEY ARE URBAN CENTERS OF 100,000 POPULATION OR MORE IN THE UNITED STATES AND PUERTO RICO.

THE PLAN WOULD REQUIRE THE MOVEMENT OF 179 MILLION BUSHELS OF THE GRAIN FROM PRESENT STORAGE LOCATIONS, MOSTLY IN THE MIDWEST PRODUCING AREAS, TO SEABOARD POINTS.

THE COMMITTEE PRESENTLY BELIEVES THAT ONE-FOURTH OF THE WHEAT DESIGNATED FOR EACH AREA SHOULD BE STORED WITHIN THE URBAN CENTER AND THE OTHER THREE-FOURTHS NEARBY. THIS COULD BE TRANSPORTED QUICKLY TO MILLS FOR PROCESSING INTO FLOUR AND OTHER CEREAL FOODS.

THE COMMITTEE SAID IT MIGHT BE NECESSARY TO MOVE SOME GOVERNMENT-OWNED STORAGE BINS FROM THE MIDWEST TO THE TARGET AREAS TO HELP STORE THE WHEAT.

THE IDEA WOULD BE TO FURNISH THE POPULATION WITHIN TARGET AREAS AN AVERAGE OF THREE-FOURTHS POUNDS OF WHEAT A DAY FOR SIX MONTHS. THE GRAIN WOULD BE PROCESSED INTO FLOUR AND OTHER FOODS, ASSUMING FACILITIES FOR DOING THIS WERE AVAILABLE AFTER AN ATTACK.

THIS WOULD PROVIDE A RATE OF CONSUMPTION CONSIDERABLY ABOVE THE PRESENT USE OF THIS CEREAL FOOD.

THE PROGRAM ASSUMES THAT OTHER FOODS WOULD BE AVAILABLE, BUT NOT IN THE VARIETY AND QUANTITY NOW OBTAINABLE.

OFFICIALS SAID THAT WHEN THE PROGRAM IS FULLY DEVELOPED, FUNDS WILL BE SOUGHT FROM CONGRESS OR DEFENSE SOURCES TO FINANCE IT. THEY SAID THE DEPARTMENT DOES NOT HAVE MONEY FOR THE PURPOSE.

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A9WX

AMS BUDGET (600)

KENNEDY-DIPLOMATIC (INTERPRETIVE)

BY JOHN M. HIGHTOWER

WASHINGTON, JULY 26 (AP)-U.S. ALLIES IN NATO HAVE RESPONDED FAVORABLY TO PRESIDENT KENNEDY'S CALL FOR A BOOST IN ARMED FORCES TO STAND OFF SOVIET THREATS AGAINST WEST BERLIN, U.S. OFFICIALS REPORTED TODAY.

WHETHER ALLIED GOVERNMENTS IN THE NORTH ATLANTIC TREATY ORGANIZATION WILL NOW FOLLOW THROUGH WITH NEW COMMITMENTS OF MONEY AND MAN-POWER TO PICK UP THEIR SHARE OF THE BURDEN WHICH KENNEDY PRESCRIBED FOR ALL ITS STILL UNCERTAIN. SOME WESTERN EUROPEAN LEADERS ARE BEGINNING TO TALK ABOUT INCREASING MILITARY SPENDING AND STEPPING UP DRAFT CALLS, IT WAS SAID.

BUT IT IS BY NO MEANS CLEAR THAT KENNEDY WILL SUCCEED IN ACHIEVING HIS ANNOUNCED ALLIED OBJECTIVE OF URGENTLY BUILDING UP NATO'S CONVENTIONAL MILITARY FORCES TO THE BASIC, GROUND ARMY GOAL OF 30 DIVISIONS SET SEVERAL YEARS AGO.

KENNEDY PUT HIS LEADERSHIP OF THE WESTERN POWERS TO ITS FIRST MAJOR TEST WHEN HE PROCLAIMED LAST NIGHT THAT "A FIRST NEED" OF THE PREPARATIONS TO DEAL WITH COMMUNIST POWER IS TO SPEED PROGRESS TOWARD THE NATO MILITARY GOALS.

THE DANGER IS THAT KENNEDY WILL GET MAINLY LIP SERVICE FROM ALLIED GOVERNMENTS. SUCH A REACTION WOULD BE INTERPRETED BY SOVIET PREMIER NIKITA KHRUSHCHEV TO MEAN THAT OTHER COUNTRIES OF THE ALLIANCE WERE INDIFFERENT AND APATHETIC TO THE U.S. CALL FOR FIRMNESS IN WEST BERLIN. THAT WOULD MEAN KHRUSHCHEV CONSIDERED THE ALLIANCE SPLIT IN FACT, REGARDLESS OF WHAT ITS LEADERS WERE SAYING IN PUBLIC STATEMENTS.

THE FAVORABLE REACTION SO FAR REPORTED FROM ALLIED GOVERNMENTS IS INDECISIVE. BUT CONSULTATION STARTED ONLY LAST FRIDAY AND THE LACK OF A DEFINITIVE RESPONSE THEREFORE IS NOT CONSIDERED SURPRISING.

SECRETARY OF STATE DEAN RUSK LAST FRIDAY OUTLINED TO REPRESENTATIVES OF BRITAIN, FRANCE AND WEST GERMANY THE PROGRAM WHICH THE PRESIDENT PRESENTED TO THE WORLD LAST NIGHT.

KENNEDY URGED DEVELOPMENT OF A MORE POWERFUL MILITARY FORCE TO DETER KHRUSHCHEV FROM STARTING A WAR OVER BERLIN AND ENCOURAGING HIM INSTEAD TO ENTER INTO SERIOUS NEGOTIATIONS.

THE FIRST ROUND OF TALKS WAS FOLLOWED BY BROADER CONSULTATIONS IN PARIS BETWEEN THE U.S. ENVOY, THOMAS K. FINLETTER, AND THE OTHER PERMANENT REPRESENTATIVES ON THE 15-NATION COUNCIL. FINLETTER OPENED HIS DISCUSSIONS MONDAY.

TOMORROW ASSISTANT SECRETARY OF STATE FOY D. KOHLER WILL TAKE A DIPLOMATIC TASK FORCE TO PARIS TO LAY THE GROUNDWORK FOR A WESTERN FOREIGN MINISTERS MEETING IN THE FRENCH CAPITAL AUG. 5.

THREE COUNTRIES HOLD THE KEY TO THE PROPOSED BUILDUP. THEY ARE BRITAIN, FRANCE AND WEST GERMANY.

THE BRITISH GOVERNMENT, WITH A BRAND NEW HOME FRONT AUSTERITY PROGRAM ON ITS HANDS, IS REPORTED TO HAVE INDICATED WILLINGNESS TO MAKE SOME INCREASE IN ITS NATO MILITARY FORCES IN GERMANY BUT NOT TO MAKE ANY INCREASE OF A SPECTACULAR KIND.

THE FRENCH, FROM THE KENNEDY ADMINISTRATION'S POINT OF VIEW, ARE STILL HANDICAPPED BY THEIR DILEMMA IN NORTH AFRICA. THEY CANNOT SUBSTANTIALLY REINFORCE THE NATO WESTERN FRONTIER WITHOUT PULLING TROOPS FROM NORTH AFRICA AND THEY CANNOT DO THAT ON ANY EXTENSIVE SCALE WITHOUT AN ALGERIAN SETTLEMENT. THE FRENCH-TUNISIAN CONFLICT OVER BIZERTE HAS FURTHER BECLOUDED PROSPECTS FOR FRENCH TROOP TRANSFERS.

THE WEST GERMAN SITUATION PROVIDES MORE HOPEFUL PROSPECTS. WEST GERMANY HAS ALREADY CONTRIBUTED TO NATO COMMAND SEVEN DIVISIONS OUT OF HER REARMAMENT GOAL OF 12 DIVISIONS. U.S. OFFICIALS ARGUE THE WEST GERMANS CAN GREATLY SPEED UP FORMATION OF ADDITIONAL DIVISIONS SO THAT BY THE END OF THE YEAR WEST GERMANY MAY HAVE 10 OR 11 COMBAT READY DIVISIONS UNDER NATO COMMAND.

THE NATO FORCE IN EUROPE NOW TOTALS A LITTLE MORE THAN 22 COMBAT DIVISIONS. SOME OF THE SMALLER ALLIED NATIONS ARE EXPECTED TO CONTRIBUTE ADDITIONAL UNITS AND KENNEDY DECLARED LAST NIGHT THE UNITED STATES WOULD PUT MORE OF ITS RESOURCES INTO EUROPE.

KENNEDY'S GOAL WOULD BE ACHIEVED IF WEST GERMANY ADDED FOUR DIVISIONS, FRANCE ADDED TWO OR THREE MORE, THE UNITED STATES SENT AN ADDITIONAL DIVISION AND BRITAIN AND THE REST OF THE NATO MEMBERS PRODUCED THE EQUIVALENT OF AN ADDITIONAL DIVISION. THOSE ARE UNOFFICIAL FIGURES CITED TO ILLUSTRATE THE NATURE OF THE PROBLEM WHICH THE PRESIDENT IS UP AGAINST.

JC253PED
A17

AMS BUDGET (5 650)
NIGHT LEAD KENNEDY REACTION
BY THE ASSOCIATED PRESS
BERLIN. JULY 26 (AP)-PRESIDENT KENNEDY'S SPEECH ON BERLIN WON

SUPPORT OF THE OTHER WESTERN POWERS TODAY AND--PERHAPS OF EQUAL SIGNIFICANCE--SOME APPROVING WORDS FROM NEUTRALS.

WEST GERMANS WERE JUBILANT AT THE STRONG AFFIRMATION OF BASIC PRINCIPLES IN THE LONG DISPUTE WITH THE SOVIET UNION ABOUT THE DIVIDED CITY AND THE PROSPECTS FOR A STRONGER WESTERN MILITARY POSTURE.

BIG THREE UNITY WAS RE-EMPHASIZED IN PARIS AND LONDON.

OFFICIAL FRENCH GOVERNMENT SOURCES SAID KENNEDY'S SPEECH WAS GREETED WITH GREAT SATISFACTION AND THAT HIS FIRMNESS "COINCIDES ENTIRELY WITH THE FRENCH POSITION."

THE BRITISH FOREIGN OFFICE WELCOMED AND FULLY ENDORSED THE PRESIDENT'S REMARKS. THOUGH BRITAIN IS GOING THROUGH AN ECONOMIC CRISIS, THE FOREIGN OFFICE SAID IN A STATEMENT, IT MUST AND WILL KEEP UP ITS MILITARY STRENGTH "TO FACE THE CRITICAL SITUATION WHICH MAY ARISE."

THE INITIAL RUSSIAN REACTION, AS EXPECTED, WAS BITTER.

THE SOVIET NEWS AGENCY TASS, IN AN ARTICLE BY COMMENTATOR IGOR ORLOV, DECLARED "THE WORLD HEARD NOTHING BUT SABER-RATTLING."

"ALTHOUGH THE CAMPAIGN FOR FANNING A WAR PSYCHOSES HAS BEEN CONDUCTED IN THE UNITED STATES FOR SOME TIME WITH THE USE OF ALL FORMS OF PROPAGANDA," IT SAID, "THE RANK-AND-FILE AMERICANS LEARNED WITH ASTONISHMENT FROM THE PRESIDENT THAT THEY WILL HAVE TO SHOULDER A MUCH HEAVIER BURDEN OF MILITARY OUTLAYS THAN THEY COULD HAVE EXPECTED."

A TASS DISPATCH FROM WASHINGTON SAID KENNEDY SEIZED ON "THE SO-CALLED THREAT TO WEST BERLIN, ALLEGEDLY COMING FROM THE SOVIET UNION," AS AN EXCUSE TO JUSTIFY THE ARMS RACE.

OTHER COMMUNIST ORGANS SHARED THIS LINE.

EAST GERMANY'S OFFICIAL ADN NEWS AGENCY ACCUSED KENNEDY OF DISTORTING SOVIET PROPOSALS FOR RELIEVING TENSION OVER GERMANY.

IN ITALY--WHICH HAS THE BIGGEST COMMUNIST PARTY WEST OF THE IRON CURTAIN--BOTH THE PARTY ORGAN L'UNITA AND THE PRO-COMMUNIST IL PAESE DESCRIBED THE SPEECH AS "THREATENING AND BELlicose."

SIDELINE COMMENT RANGED FROM APPLAUSE TO MILD CRITICISM.

THE LIBERAL STOCKHOLM EXPRESSEN IN NEUTRAL SWEDEN REMARKED: "THE SPEECH WILL CAUSE EMBITTERMENT IN SOME QUARTERS AND DISAPPOINTMENT IN OTHERS. BUT IN THE FREE WORLD IT MUST BE GREETED ABOVE ALL WITH RELIEF AND SATISFACTION."

KENNEDY'S BID FOR INCREASED DEFENSE SPENDING WAS TERMED VERY UNFORTUNATE BY A SENIOR FOREIGN MINISTRY OFFICIAL OF INDIA. BUT HE APPROVED THE IDEA OF HOLDING THE DOOR OPEN FOR A PEACEFUL SETTLEMENT AND SAID: "LET US PRAY STATESMANSHIP WILL PREVAIL."

THE HINDUSTAN TIMES-EVENING NEWS IN NEW DELHI, WHICH SUPPORTS THE U. N. GENERAL ASSEMBLY THIS FALL THAT THIS PRINCIPLE ALSO MIGHT WELL BE APPLIED TO BERLIN AND THE GERMAN PEOPLE SO THEY CAN WORK OUT THEIR OWN FUTURE.

THE PLEASED REACTION IN WEST BERLIN AND WEST GERMANY RAN TRUE TO DIPLOMATIC EXPECTATIONS.

CHANCELLOR KONRAD ADENAUER SAID IN BONN HE IS "HAPPY THAT THE UNITED STATES HAS RESOLUTELY TAKEN OVER THE LEADERSHIP OF THE WEST." WEST BERLIN'S MAYOR WILLY BRANDT DESCRIBED THE SPEECH AS MOVING AND SAID ANYONE WHO READS IT SHOULD BE "STRONGLY IMPRESSED BY THE PROPOSALS FOR INCREASING MILITARY STRENGTH WHICH THE AMERICAN PRESIDENT ANNOUNCED."

ADENAUER HEADS WEST GERMANY'S DOMINANT PARTY, THE CHRISTIAN DEMOCRATS, AND BRANDT THE RIVAL SOCIALISTS, BUT THEY ARE UNITED ON THE BERLIN ISSUE AND THE RELATED PROBLEM ABOUT THE FUTURE OF DIVIDED GERMANY.

PRIME MINISTER NEHRU'S RULING CONGRESS PARTY, HEADLINED: "RUSSIA WARNED AGAINST FALSE STEP, INVITED FOR TALKS."

AN AFRICAN VIEW OF THE SPEECH WAS EXPRESSED BY NIGERIA'S FEDERAL PRIME MINISTER SIR ABUBAKAR TAFAWA BALEWA, A VISITOR IN WASHINGTON: "IT WAS SIMPLE BUT FIRM. I THINK IT IS A SPEECH WHICH SHOULD BE

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SERIOUSLY CONSIDERED BY ALL NATIONS. IT IS GOOD THE DOOR IS LEFT OPEN FOR DISCUSSIONS."

COINCIDENTAL WITH KENNEDY'S TALK, LIBERIA CAME OUT IN FAVOR OF INTERVENTION BY SECRETARY-GENERAL DAG HAMMARSKJOLD AND THE U. N. SECURITY COUNCIL TO SETTLE THE BERLIN CRISIS.

PRESIDENT WILLIAM V. S. TUBMAN, IN A MESSAGE RELEASED AT U. N. HEADQUARTERS ON THE OCCASION OF THE ANNIVERSARY OF LIBERIAN INDEPENDENCE, APPEALED FOR "ACTION AS WILL LEAD TO SETTLEMENT OF THIS MOST PROVOCATIVE QUESTION BY MEANS OF NEGOTIATION."

FAVORABLE REACTION TO THE U. S. POSITION FROM ASIAN AND AFRICAN NEUTRALS, IF WIDESPREAD COULD STRENGTHEN AMERICA'S DIPLOMATIC HAND. THE UNITED STATES IS HOPING THAT THE NEW NATIONS, WHICH WON THEIR INDEPENDENCE THROUGH SELF-DETERMINATION, WILL REMIND THE RUSSIANS AT

THE COMMUNIST CHARGE OF SABER-RATTLING WAS CHALLENGED BY A COUPLE OF WEST EUROPEAN NEWSPAPERS.

THE INDEPENDENT COPENHAGEN INFORMATION SAID A MODERATE AND PRUDENT POLICY WAS OUTLINED AND "THERE WAS NO SORT OF BRINKMANSHIP IN KENNEDY'S SPEECH."

THE INDEPENDENT LE SOIR OF BRUSSELS COMMENTED: "NOTHING IN HIS WORDS CAN BE CONSIDERED BY THE SOVIET UNION AS A PROVOCATION. THE WAY REMAINS OPEN FOR NEGOTIATION ON THE GERMAN PROBLEM, BUT THE ALLIES' RIGHTS IN WEST BERLIN WILL BE DEFENDED."

CANADA'S PRIME MINISTER JOHN DIEFENBAKER REMARKED THAT IT IS ESSENTIAL NO NATION IN THE NATO ALLIANCE ACT ON ITS OWN IN THE BERLIN CRISIS.

PIERRE SEVIGNY, CANADA'S ASSOCIATE DEFENSE MINISTER, TOLD NEWSMEN IN HALIFAX THAT KENNEDY'S STATEMENTS "MERIT THE GREATEST STUDY AND WILL BE GIVEN IT." SEVIGNY SAID THAT "WHAT LIES AHEAD IS STILL VERY SECRET," BUT CANADA WILL FULFILL ITS COMMITMENTS TO NATO.

KENNEDY'S CALL TO ARMS WAS SPLASHED OVER FRONT PAGES OF LATIN AMERICAN NEWSPAPERS FROM THE RIO GRANDE TO CAPE HORN.

O JORNAL DE RIO DE JANEIRO, AMONG THE FIRST TO COMMENT EDITORIALLY, SAID "KENNEDY'S ACTION IS MORE THAN JUSTIFIED BY PREMIER KHRUSHCHEV'S THREATENING WORDS."

THE FIRST OFFICIAL AND UNQUALIFIED SUPPORT IN ASIA FOR KENNEDY'S MILITARY BUILDUP PLAN CAME FROM THE NEW SOUTH KOREAN JUNTA AND FROM NATIONALIST CHINA.

OTHER PRO-WESTERN ASIAN GOVERNMENTS REACTED MORE CAUTIOUSLY, IN SOME CASES DECLINING TO COMMENT.

"WE TOO HOPE FOR PEACE, BUT IF WAR IS FORCED UPON US THE REPUBLIC OF KOREA WILL BE AMONG THE FIRST OF AMERICA'S ALLIES TO FIGHT BY YOUR SIDE," MAJ. GEN. PAK CHUNG-HI, CHIEF OF SOUTH KOREA'S RULING SUPREME COUNCIL, DECLARED IN A PERSONAL MESSAGE TO KENNEDY.

"WE ESPECIALLY WELCOME YOUR REFERENCE TO WORLDWIDE DEFENSE AGAINST COMMUNIST AGGRESSION."

NATIONALIST CHINA EXPRESSED SUPPORT THROUGH ITS FOREIGN OFFICE SPOKESMAN, WEI YU-SUN. HE ISSUED A STATEMENT SAYING "THE RESOLUTE STAND TAKEN BY PRESIDENT KENNEDY . . . DESERVES THE FULL SUPPORT OF THE ENTIRE FREE WORLD . . . WE ALSO ENDORSE HIS CLEARCUT WARNING THAT THE WORLDWIDE COMMUNIST THREAT MUST BE MET ON A GLOBAL BASIS."

K716PFD

A109 (200) BERLIN

MOSCOW, JULY 26 (AP)-TASS DECLARED TODAY PRESIDENT KENNEDY IS USING "THE SO-CALLED THREAT TO BERLIN ALLEGEDLY COMING FROM THE SOVIET UNION" AS AN EXCUSE TO JUSTIFY THE ARMS RACE.

IN A DISPATCH UNDER A WASHINGTON DATELINE, THE SOVIET NEWS AGENCY GAVE THE FIRST MOSCOW REACTION TO THE PRESIDENT'S SPEECH ON THE BERLIN CRISIS.

"KENNEDY REITERATED HIS FORMER CONTENTIONS TO THE EFFECT THAT THE SOVIET UNION INTENDS BY A STROKE OF ITS PEN TO BRING AN END TO THE LEGAL RIGHTS OF THE WESTERN POWERS TO BE IN WEST BERLIN AND THE ABILITY OF THE UNITED STATES TO MAKE GOOD ON ITS COMMITMENTS TO THE POPULATION OF WEST BERLIN," TASS SAID.

"ALTHOUGH THE PRESIDENT ATTEMPTED TO PRESENT THE STEPPING UP OF THE U.S. MILITARY PREPARATIONS AS A REACTION TO THE (JUNE 4) SOVIET AIDE MEMOIRE AND TO THE INCREASE IN THE SOVIET MILITARY BUDGET, HE HIMSELF ADMITTED THAT THE UNITED STATES ITSELF STARTED THE BUILDUP OF ITS MILITARY STRENGTH MUCH EARLIER, IMMEDIATELY AFTER HIS INAUGURATION AS PRESIDENT.

"THE PRESIDENT PROPOSED AN INCREASE IN THE APPROPRIATIONS FOR CIVIL DEFENSE. HE REPORTED IN DETAIL ON MEASURES TO PROTECT THE POPULATION FROM A NUCLEAR ATTACK, THEREBY ADDING HIS SHARE TO THE CAMPAIGN OF WHIPPING UP WAR HYSTERIA.

"WHILE ADMITTING THAT THE ENTIRE SITUATION IN GERMANY IS ABNORMAL, THE PRESIDENT DID NOT SUBMIT ANY PROPOSALS TOWARD ELIMINATION OF THIS ABNORMAL SITUATION..."

"THE PRESIDENT CONCLUDED HIS BELLICOSE SPEECH WITH ASSURANCES OF U.S. PEACEFUL ASPIRATIONS."

ML954AED

A86 (100)

BONN, GERMANY, JULY 26 (AP)-WEST GERMANY PLEDGED TODAY TO BACK PRESIDENT KENNEDY BY CONTRIBUTING ITS FULL SHARE TOWARD THE PLANNED INCREASE OF WESTERN MILITARY STRENGTH.

GOVERNMENT SPOKESMAN FELIX VON ECKARDT TOLD A NEWS CONFERENCE THAT THIS COUNTRY IS DETERMINED TO DO WHATEVER NECESSARY TO HELP MEET THE COMMUNIST THREAT.

HE SAID THE EXACT MILITARY MEASURES TO BE UNDERTAKEN--WHICH HE PREDICTED WOULD BE EXTRAORDINARILY EXPENSIVE--WOULD BE WORKED OUT BY THE NORTH ATLANTIC TREATY ORGANIZATION.

THE PLEDGE OF MILITARY COOPERATION CAME AS PART OF ALL-OUT PRAISE FROM ECKARDT FOR THE STAND KENNEDY TOOK IN HIS SPEECH LAST NIGHT ON THE BERLIN CRISIS.

KS821PED

A102

BERLIN (220)
BY TOM OCHILTREE

LONDON, JULY 26 (AP)-BRITAIN VOICED COMPLETE SUPPORT TODAY FOR PRESIDENT KENNEDY'S FIRM STAND ON BERLIN AND HINTED IT MAY INCREASE THE STRENGTH OF THE BRITISH ARMED FORCES AS PART OF THE WEST'S HANDS-OFF WARNING TO THE SOVIET UNION.

A GOVERNMENT STATEMENT READ TO NEWSMEN AT THE FOREIGN OFFICE MADE IT PLAIN THAT BRITAIN WOULD NOT ALLOW HER FINANCIAL TROUBLES TO HAMPER HER CONTRIBUTION TO WESTERN DEFENSE.

THE STATEMENT ALSO WARNED THE SOVIET UNION AGAINST MOVES WHICH WOULD FURTHER INFAME THE BERLIN AND GERMAN PROBLEMS.

DEFENSIVE ARRANGEMENTS WILL BE COORDINATED AT A MEETING IN PARIS AUG. 5-7 OF THE U.S., BRITISH AND FRENCH FOREIGN MINISTERS. WEST GERMANY ALSO WILL PARTICIPATE IN SOME OF THESE TALKS.

DEFENSE MINISTER HAROLD WATKINSON WAS QUESTIONED IN THE HOUSE OF COMMONS ABOUT THE PLANS.

HE DECLINED TO REVEAL THE GOVERNMENT'S HAND AT THIS TIME BUT DID SAY BRITAIN IS PROVIDING THE UNITED STATES ADDITIONAL FACILITIES IN CONNECTION WITH THE INSTANT EARLY WARNING LINE.

A SMALL U.S. COMMUNICATIONS STATION WILL BE ESTABLISHED AT THURSO TO SUPPLEMENT FACILITIES AT LONDONDERRY. IN ADDITION, HE SAID, SOME AMERICAN RADAR PICKET ESCORT VESSELS WILL HAVE USE OF FACILITIES AT ROSYTH AND ON THE CLYDE RIVER.

AS TO HIS TALKS A FEW DAYS AGO WITH U.S. DEFENSE SECRETARY ROBERT McNAMARA, WATKINSON SAID ONLY THAT THEY "DISCUSSED INTERDEPENDENCE AND NATO LONG TERM PLANNING."

LU914PED

A105 (160)

ROME, JULY 26 (AP)-ADLAI STEVENSON, U.S. AMBASSADOR TO THE UNITED NATIONS, SAID TONIGHT COMMUNISM ALREADY HAS LOST THE FIRST DECISIVE ROUND AGAINST A WESTERN WORLD THAT HAS RECOVERED ITS SENSE OF DESTINY.

HE URGED THE WEST TO MOVE ITS "NEW REVOLUTION" AHEAD BY ACTING TOGETHER THROUGH COMMON TRADE AND AID POLICIES, STRENGTHENING THE EUROPEAN COMMON MARKET AND BY SAVING THE UNITED NATIONS FROM COMMUNIST ONSLAUGHTS.

IN AN ADDRESS BEFORE THE ITALIAN SOCIETY FOR INTERNATIONAL ORGANIZATION, STEVENSON SAID MARXISM AS A GUIDE TO HISTORY "HAS ALREADY BEEN PROVED SUPERBLY, MAGNIFICENTLY WRONG."

"IF MR. KHRUSHCHEV WANTS TO LOOK FORWARD TO A WORLD UNDER COMMUNISM HE HAD BETTER LOOK AWAY FROM ITS MOST DEVELOPED AND PROSPEROUS PART," STEVENSON SAID.

"FOR THERE, OTHER PRINCIPLES, OTHER ASPIRATIONS, OTHER VISIONS HAVE LONG SINCE LEFT MARX BEHIND. THUS THE FIRST ENCOUNTER BETWEEN COMMUNISM AND THE WEST HAS ENDED IN THE DEFEAT OF COMMUNISM."

AN EVEN MORE PROFOUND CHANGE, HE CONTINUED, HAS BEEN THE RECOVERY IN THE WEST OF "OUR SENSE OF DESTINY, OUR SENSE OF MOLDING HISTORY, OUR SENSE OF NOT BEING SIMPLY BORNE AWAY BY A TORRENT OF EVENTS WE CANNOT CONTROL."

KS927PED

LOS ANGELES, JULY 26 (AP)-FORMER VICE PRESIDENT RICHARD M. NIXON TODAY ASKED ALL AMERICANS TO SUPPORT PRESIDENT KENNEDY'S PROGRAM FOR DEALING WITH THE BERLIN CRISIS.

THEN HE URGED THIS FOUR-POINT FOLLOW-UP: 197 VX

1. "STOP CASTRO'S OUTLAW OPERATIONS IN THE AMERICAS."
2. "BREAK THE SOVIET FILIBUSTER ON ATOMIC TESTING."
3. "PUT SOME BACKBONE INTO AMERICA'S FIGHT AGAINST ADMITTING RED CHINA TO THE UNITED NATIONS."

"4. "SHELF ALL NEW SPENDING PROGRAMS NOT DIRECTLY NECESSARY FOR NATIONAL DEFENSE."

NIXON, DEFEATED BY KENNEDY IN THE LAST PRESIDENTIAL ELECTION, IS NOW A LOS ANGELES LAWYER. MANY STILL REGARD HIM AS THE NATION'S TOP REPUBLICAN. HIS FORMAL STATEMENT TODAY SAID:

"PRESIDENT KENNEDY'S STERN WARNING TO KHRUSHCHEV ON BERLIN AND HIS PROGRAM FOR INCREASED MILITARY POWER TO BACK UP HIS STRONG WORDS SHOULD HAVE THE SUPPORT OF ALL AMERICANS REGARDLESS OF PARTY.

"ONLY THIS KIND OF FIRM POLICY IN DEALING WITH THE COMMUNISTS HAS A CHANCE TO KEEP THE PEACE WITHOUT SURRENDER..."

THEN HE WENT INTO HIS FOUR POINTS.

HE CONCLUDED:

"ACTION ON THESE FRONTS IS ESSENTIAL TO PROTECT OUR SECURITY AT HOME AND WILL HELP TO REGAIN THE INITIATIVE FOR AMERICAN LEADERSHIP ABROAD."

JW212PCS NM

KENNEDY-BARUCH A137WX

WASHINGTON, JULY 26 (AP)-BERNARD M. BARUCH, FINANCIER AND FRIEND OF PRESIDENTS, SAID TODAY THAT AMERICA HAS "ALL THE RESOURCES TO DO ALL THE THINGS THAT NEED TO BE DONE" IN THE BERLIN CRISIS.

"AND THERE IS NO REASON TO GET EXCITED ABOUT IT," BARUCH SAID.

THE WHITE-HAIRED OCTOGENARIAN CALLED ON PRESIDENT KENNEDY TODAY, PRAISED KENNEDY'S ADDRESS TO THE NATION ON DEFENSE, AND VOICED A HOPE THAT PRESSURE GROUPS WILL DROP THE GOALS THEY SEEK AND "GET BEHIND WHAT THE PRESIDENT WANTS TO DO."

HE SAID WE HAVE TO WIN THIS STRUGGLE WITH RUSSIA OR "EVERYTHING WILL BE ASHES."

BARUCH SAID HE EXPRESSED THESE VIEWS TO THE PRESIDENT.

THE FINANCIER IS AN AUTHORITY ON SUCH MATTER AS MOBILIZATION AND INFLATION. BUT HE SAID THAT THE MAIN PURPOSE OF HIS VISIT WAS NOT GO TO INTO THESE SUBJECTS. HE SAID KENNEDY HAD ASKED HIM TO COME IN AND DISCUSS VARIOUS THINGS, AND THAT THE INVITATION HAD BEEN OPEN

SINCE THE PRESIDENTIAL CAMPAIGN.

FOLLOWING THROUGH ON THE IDEA THAT THE COUNTRY HAS THE RESOURCES TO DO EVERYTHING NECESSARY, BARUCH SAID THAT IN WORLD WAR II THE UNITED STATES FOUGHT THE WAR, FED THE WORLD, AND RETAINED HIGH STANDARDS OF LIVING.

"AND WE CAN DO IT AGAIN," HE SAID. # 1276P-

A56KX

(230) WITH KENNEDY

KANSAS CITY, JULY 26 (AP)-A FEW WORDS IN THE ADDRESS OF PRESIDENT KENNEDY LAST NIGHT GAVE A GROUP OF KANSAS CITY SCIENTISTS A SENSE OF PROFESSIONAL ACCOMPLISHMENT.

IN HIS NATIONALLY-TELEVISIONED ADDRESS THE PRESIDENT SAID HE WOULD ASK CONGRESS FOR FUNDS "TO IMPROVE OUR AIR-RAID WARNING AND FALL OUT DETECTION SYSTEMS, INCLUDING A NEW HOUSEHOLD WARNING SYSTEM NOW UNDER DEVELOPMENT."

THE HOUSEHOLD WARNING DEVICE, CALLED THE NATIONAL EMERGENCY ALARM REPEATER (NEAR) WAS DEVELOPED AT THE MIDWEST RESEARCH INSTITUTE HERE AND PRONOUNCED A SUCCESS AT A DEMONSTRATION LAST OCTOBER ATTENDED BY CIVIL DEFENSE, MEMBERS OF CONGRESS AND INDUSTRIAL EXECUTIVES.

"ALL THE RESEARCH AND DEVELOPMENT HAS BEEN DONE," DR. CHARLES N. KIMBALL, MIDWEST RESEARCH PRESIDENT, SAID TODAY. "THE NEXT STEP WOULD BE PUTTING IT INTO PRODUCTION."

THE NEAR SYSTEM IS DESIGNED TO USE EXISTING ELECTRIC POWER LINES AS A NETWORK FOR SENDING THE DISTRESS SIGNAL INTO HOMES THROUGHOUT THE NATION. THE HOUSEHOLD INSTRUMENT IS A BOX ABOUT THE SIZE OF A MAN'S FIST THAT CAN BE PLUGGED INTO ANY STANDARD ELECTRIC OUTLET.

DR. KIMBALL SAID THE RECEIVERS WOULD SELL FOR LESS THAN \$10. THE MUNICIPAL ELECTRICAL SYSTEM WOULD HAVE TO BE EQUIPPED WITH A GENERATOR TO CONVERT PART OF THE REGULAR 60-CYCLE POWER INTO THE SPECIAL SIGNAL. THE GENERATOR, CONSISTING OF A RECTIFIER AND THREE SPECIAL TRANSFORMERS, WOULD BE INSTALLED AT POWER SUBSTATIONS.

DR. KIMBALL AND HAROLD L. STOUT, WHO HAS BEEN IN CHARGE OF THE PROJECT, SAID THE GENERATING EQUIPMENT COULD BE INSTALLED NATIONWIDE AT AN EXPENSE OF LESS THAN \$1 A HOME.

MIDWEST RESEARCH WAS AWARDED AN \$80,000 CONTRACT EARLIER THIS MONTH FOR AN ENGINEERING STUDY OF POWER LINES IN DETROIT, WITH THE OBJECTIVE OF INSTALLING THE SYSTEM THERE. THE PILOT STUDY WILL COVER THE SOUTHERN HALF OF MICHIGAN.

VX/JF441PCS

A74WX

NIGHT LEAD NUCLEAR (310)

BY C. YATES McDANIEL

WASHINGTON, JULY 26 (AP)-A PANEL OF AMERICAN SCIENTISTS SAID TODAY THAT RUSSIA COULD BANG AWAY TO HER HEART'S CONTENT WITH UNDERGROUND NUCLEAR SHOTS WITHOUT THE REST OF THE WORLD BEING MUCH THE WISER.

THEY ALSO PREDICTED TO THE SENATE-HOUSE ATOMIC ENERGY COMMITTEE THAT THE BETTER SCIENTISTS BECOME AT DETECTING FURTIVE NUCLEAR BLASTS THE GREATER WILL BE THE PROBLEM OF DISTINGUISHING THEM FROM EARTHQUAKES.

A POSSIBLE SAFE HAVEN FOR SECRET SOVIET SHOTS WAS MENTIONED BY DR. HUGH BENIOFF OF THE CALIFORNIA INSTITUTE OF TECHNOLOGY SEISMOLOGICAL LABORATORY.

BENIOFF, A DEVELOPER OF SHOCK MEASURING INSTRUMENTS AND TECHNIQUES, SAID THAT IF HE WERE IN RUSSIAN SHOES HE WOULD "FIRE OFF A BUNCH OF SHOTS IN KAMCHATKA WHERE THERE ARE MANY VOLCANIC AND OTHER EARTHQUAKES" WHOSE SHOCK WAVES "PRACTICALLY BLANKET THE EARTH."

AS FIVE OTHER SEISMOLOGISTS NODDED AGREEMENT, BENIOFF SUGGESTED THE UNLIKELIHOOD OF RUSSIA PERMITTING INTERNATIONAL INSPECTION STATIONS NEAR ENOUGH TO THAT AREA.

KAMCHATKA PENINSULA, WHICH DROPS DOWN FROM EASTERNMOST SIBERIA INTO THE PACIFIC OCEAN, IS ONE OF THE SOVIET'S MOST CLOSELY GUARDED MILITARY REGIONS.

BENIOFF ALSO SUGGESTED ANOTHER POSSIBLE AREA FOR SECRET NUCLEAR

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TESTS THAT HAS "SWARMS OF EARTHQUAKES." IT WAS THE HINDU KUSH, THE WILD AREA OF CENTRAL ASIA BOUNDED BY NORTHERN PAKISTAN, AFGHANISTAN AND THE SOVIET TADZHIK REPUBLIC.

DR. CARL ROMNEY OF THE AIR FORCE TECHNICAL APPLICATIONS CENTER ALSO POINTED TO KAMCHTAKA AS A PROBLEM FOR DETECTION. HE SAID AMERICAN OBSERVATIONS OF A 500-TON HIGH EXPLOSION TEST IN NEVADA LAST YEAR WERE PARTIALLY OBSCURED BY EARTHQUAKE SHOCK WAVES FROM THE DISTANT RUSSIAN PENINSULA.

THE COMMITTEE HEARD A MORE OPTIMISTIC VIEW OF THE POSSIBILITY OF DETECTING AND IDENTIFYING ATOMIC BLASTS IN SPACE.

LT. CMDR. D.E. CHANDLER, CHIEF OF THE PENTAGON'S SPACE TEST BRANCH, TESTIFIED THAT TECHNIQUES NOW UNDER DEVELOPMENT COULD SPOT AND DESCRIBE A BURST EQUIVALENT TO THE HIROSHIMA BOMB "ABOUT AS FAR OUT AS THE MOON."

CHANDLER SAID THIS WOULD REQUIRE SOME 170 GROUND DETECTION STATIONS AND THAT IF ANYBODY TRIED TO LET OFF AN ATOMIC DETONATION IN THE SECRECY OF THE FAR SIDE OF THE MOON, SATELLITES WOULD BE REQUIRED FOR THE DETECTIVE JOB.

A38 SR735PED

URGENT (STANLEY JOHNSON)

MOSCOW, JULY 26 (AP)-PREMIER KHRUSHCHEV TALKED LONG AND EARNESTLY TODAY WITH PRESIDENT KENNEDY'S SPECIAL ENVOY, JOHN J. MCCLOY, ON THE DISARMAMENT DEADLOCK BETWEEN THE TWO POWERS.

THE CHIEF SOVIET DISARMAMENT REPRESENTATIVE, VALERIAN ZORIN, WAS ALSO PRESENT ON THE SUN-FLOODED TERRACE OF KHRUSHCHEV'S BLACK SEA VACATION HIDEAWAY AT SOCHI FOR THIS LAST-DITCH TRY.

THERE WAS NO WORD IN MOSCOW AS TO WHETHER THEY HAD BEEN SUCCESSFUL--BUT MOST DIPLOMATS DOUBTED IT. TASS, HOWEVER, SAID THE TALKS WERE HELD IN A FRIENDLY ATMOSPHERE.

MCCLOY FLEW TO THE BLACK SEA RESORT YESTERDAY AT KHRUSHCHEV'S INVITATION.

MCCLOY AND ZORIN HAVE GOTTEN NOWHERE IN THEIR ATTEMPTS TO MAKE ARRANGEMENTS FOR A RESUMPTION OF THE DISARMAMENT TALKS. THE UNITED STATES OBJECTS TO THE SOVIET PLAN TO EXPAND THE 10-NATION COMMITTEE TO 15 TO INCLUDE 5 SO-CALLED NEUTRALS.

MCCLOY WAS KHRUSHCHEV'S HOUSE GUEST WHEN KENNEDY'S SPEECH CALLING FOR A BOOST IN U.S. ARMED MIGHT BECAUSE OF THE BERLIN CRISIS WAS BROADCAST TUESDAY NIGHT.

THERE WAS A SORT OF HOLIDAY ATMOSPHERE TO THE WHOLE THING -- AN ATMOSPHERE KHRUSHCHEV OFTEN FINDS USEFUL WHEN HE IS AT HIS MOST DETERMINED.

MCCLOY'S WIFE, HIS DAUGHTER ELLEN AND HIS NIECE SHARMAN DOUGLAS ALSO WERE HOUSE GUESTS AND THE KHRUSHCHEV'S GAVE A BIG DINNER FOR THEM TONIGHT AT THEIR LUXURIOUS VILLA OUTSIDE SOCHI.

TASS IN A BRIEF REPORT SAID THAT THE TALKS PASSED IN A "WARM ATMOSPHERE" -- WHICH SOMETIMES CONNOTES AN OPTIMISTIC POLITICAL VIEW.

THE SOVIET UNION AND THE UNITED STATES WERE DIRECTED BY THE UNITED NATIONS TO DECIDE BY AUG. 1 ON WHAT COUNTRIES WOULD TAKE PART IN A NEW DISARMAMENT CONFERENCE AND JUST WHAT THEY WOULD DISCUSS. THERE HAS BEEN NO SIGN HERE THAT THEY CAN MEET THIS DATE.

WH658PED

A/DWA

(470) ADVANCE FOR PMS OF WEDNESDAY, JULY 26--EDITORS: NOTE DATE EDITOR'S NOTE--WHAT BENEFITS HAVE ACCUMULATED FROM U. S. CIVIL DEFENSE PROGRAMS TO DATE? IN THIS THIRD OF FOUR ARTICLES, STERLING F. GREEN EXAMINES THE VALUE OF PREVIOUS EFFORTS.

CIVIL DEFENSE NO. 3--RESERVOIR OF ASSETS

BY STERLING F. GREEN

(ADVANCE) WASHINGTON, JULY 26 (AP)--OFFICIALS AGREE THE HOME FRONT WOULD NOT BE READY--DESPITE A CONSIDERABLE MEASURE OF CIVIL DEFENSE PREPAREDNESS--IF WORLD WAR III SHOULD COME THIS YEAR.

THE MODESTLY FINANCED AND LARGELY VOLUNTARY EFFORT OF THE PAST DECADE HAS LEFT THESE ASSETS:

A WARNING SYSTEM OFFICIALLY CALLED "EXCELLENT." FROM THE ARCTIC OUTPOSTS A WARNING CAN BE FLASHED TO MORE THAN 400 STATE AND CITY CENTRAL WARNING POINTS IN 15 SECONDS. THE RELAY TO 5,000 MORE LOCAL POINTS AVERAGES SEVEN MINUTES. THE TIME IS BEING SHORTENED.

THE NATIONWIDE WIRE NETWORK FOR TRANSMISSION OF ALERTS, ORDERS AND INFORMATION IS BEING BACKSTOPPED BY A RADIO NETWORK FOR USE IF THE WIRES ARE KNOCKED OUT.

FORTY FEDERAL AGENCIES, SOME STATE GOVERNMENTS, AND MANY MAJOR CORPORATIONS HAVE SET UP SECRET EMERGENCY HEADQUARTERS REMOTE FROM TARGET AREAS AND EQUIPPED FOR SURVIVAL AND COMMUNICATION.

MAJOR BANKS AND INSURANCE COMPANIES TUCK AWAY MICROFILM COPIES OF THEIR RECORDS IN BLASTPROOF UNDERGROUND DEPOSITORYES, AND SINCE THIS IS A MONEY ECONOMY, THE FEDERAL RESERVE BOARD HAS PROVIDED FOR READY TO-USE CACHES OF CURRENCY.

THE ANNUAL "OPERATION ALERT" EXERCISES HAVE SCHOoled KEY FEDERAL OFFICIALS IN RUNNING THE GOVERNMENT FROM RIDDEN "RELOCATION SITES," UNDER HYPOTHETICAL CONDITIONS INTE

OFFICIALS IN RUNNING THE GOVERNMENT FROM RIDDEN "RELOCATION SITES," UNDER HYPOTHETICAL CONDITIONS INTENDED TO DUPLICATE THE CHAOS THAT WOULD FOLLOW AN ATTACK.

CIVILIAN TAKE-COVER AND EVACUATION DRILLS HAVE HAD "GOOD" SUCCESS IN MANY AREAS, LESS SATISFACTORY RESULTS IN OTHERS.

A STOCKPILE OF SURVIVAL ITEMS EXISTS BUT IS INADEQUATE. BESIDES MEDICAL AND ENGINEERING SUPPLIES IT INCLUDES 1,400 EMERGENCY HOSPITAL SETUPS, DISTRIBUTED IN EVERY STATE AND TERRITORY.

A \$7 BILLION STOCKPILE OF STRATEGIC METALS AND MATERIALS IS ADEQUATE FOR AT LEAST THREE YEARS OF WAR. ITS EXISTENCE HELPS TO DIMINISH THE FEAR OF PANIC BUYING AND HOARDING, THE SURE-FIRE INGREDIENTS OF INFLATION.

SOME 2,250 EXECUTIVES FROM INDUSTRY, LABOR, EDUCATION AND OTHER FIELDS MAKE UP A "NATIONAL DEFENSE EXECUTIVE RESERVE." ALL HAVE HAD AT LEAST SIX MONTHS EXPERIENCE IN THE GOVERNMENT. ALL ARE PLEDGED TO DROP THEIR CIVILIAN JOBS AND TAKE OVER THE FORMATION AND OPERATION OF EMERGENCY WARTIME AGENCIES WHEN AND IF THE CALL COMES.

TWENTY NINE STATES HAVE PROVIDED LEGALLY--OR HAVE BEGUN LEGISLATION TO DO SO--THE MEANS FOR DESIGNATING SUCCESSORS IN CASE STATE OFFICIALS ARE KILLED, AND FOR RUNNING THEIR GOVERNMENTS OUTSIDE THE CAPITALS.

FIVE STATES--HAWAII, DELAWARE, GEORGIA, VIRGINIA AND MARYLAND--HAVE EMERGENCY RELOCATION CENTERS--HIDEAWAY STATEHOUSES. NEBRASKA HAS JUST VOTED FOR A BLASTPROOF, \$380,000 CENTER. THE FEDERAL GOVERNMENT IS TO PAY HALF THE COST.

THESE WOULD NOT BE ONLY FOR CIVIL DEFENSE USE, BUT FOR STATE GOVERNMENT ACTIVITIES. AN OFFICE OF CIVIL AND DEFENSE MOBILIZATION SPOKESMAN EXPLAINED:

"IT IS OUR IDEA TO AVOID MARTIAL LAW, TO KEEP CONSTITUTIONAL GOVERNMENT OPERATING AT EVERY LEVEL EVEN UNDER THE IMPACT OF ATOMIC ASSAULT."

UNHAPPILY, CIVIL DEFENSE OFFICIALS ADMIT THEY DO NOT KNOW HOW MANY CITIES, COUNTIES AND AREAS LACK A FUNCTIONING CIVIL DEFENSE ORGANIZATION, AND HOW MANY OF THOSE SET UP IN THE KOREAN CRISIS MAY HAVE LAPSED INTO INACTIVITY.

(TOMORROW--SHELTERS AND SURVIVORS)

END ADVANCE FOR PMS OF WEDNESDAY JULY 26: SENT JULY 22

DY731AED NM

BERLIN, JULY 26 (AP)-HOUSEWIVES IN COMMUNIST EAST GERMANY WERE TOLD TODAY NOT TO EXPECT ANY IMMEDIATE IMPROVEMENT IN THEIR FAMILIES' DIETS.

THE OFFICIAL COMMUNIST PARTY PAPER, NEUES DEUTSCHLAND, PUBLISHED EXCERPTS OF A SPEECH BY EAST GERMAN COMMUNIST LEADER WALTER ULRICH TO 1,500 PARTY FUNCTIONARIES IN MARKKLEEBERG, NEAR LEIPZIG, LAST FRIDAY.

"WE'VE GOT TO PAY FOR ALL OUR IMPORTS WITH EXPENSIVE PRODUCTS AND THEREFORE WE CAN'T IMPORT ANY MORE FOOD THAN IS ABSOLUTELY NECESSARY," ULRICH SAID.

"AND IN THE FINAL ANALYSIS ANY INCREASE IN FOOD IMPORTS WOULD BE PAID FOR BY THE PEOPLE, FOR THEN WE WOULD HAVE TO EXPORT MORE THINGS SUCH AS TELEVISION SETS AND BICYCLES."

ULRICH'S COMMENTS TENDED TO BEAR OUT REPORTS BY PRIVATE WESTERN INTELLIGENCE AGENCIES THAT EAST GERMANY IS SUFFERING SHORTAGES OF SOME FOOD, ESPECIALLY MEAT, BUTTER AND POTATOES.

ULRICH ALSO TOLD THE PARTY OFFICIALS THEY MUST DO A BETTER JOB EXPLAINING THE REGIME'S PROBLEMS TO THE PUBLIC.

"AFTER ALL," HE SAID, "WHEN HOUSEWIVES COME INTO THE STORES AND THEY DON'T GET THE MILK AND BUTTER THEY WANT, THEY BEGIN TO CRITICIZE."

THEN ULRICH COMPLAINED ABOUT SOME OF EAST GERMANY'S COLLECTIVIZED FARMERS, WHO ARE DEMANDING AN EIGHT-HOUR DAY PROMISED WHEN THEIR LAND WAS TAKEN FROM THEM.

"YOU MUST DO A BETTER JOB EXPLAINING QUESTIONS OF (INTERNATIONAL) POWER RELATIONS SO THAT ALL THE FARMERS UNDERSTAND THAT THE POWERS OF PEACE AND SOCIALISM WILL WIN," ULRICH DECLARED.

WESTERN OFFICIALS BLAME MANY OF EAST GERMANY'S FOOD PROBLEMS ON THE RELUCTANCE OF ITS FARMERS TO WORK FOR THE REGIME. ALL FARM LAND IN EAST GERMANY WAS COLLECTIVIZED BY THE SPRING OF 1960.

JS1211PED

NIGHT LEAD BERLIN
BY LOYAL GOULD

BERLIN, JULY 26 (AP)-THE COMMUNISTS TODAY COMPARED REFUGEES FLEEING EAST GERMANY TO NAZI CRIMINALS. THE COMPARISON WAS MADE BY GERHART EISLER, A LEADING EAST GERMAN PROPAGANDIST WHO JUMPED BAIL IN THE UNITED STATES AND FLED ABOARD THE POLISH SHIP BATORY IN 1949 TO ESCAPE PRISON TERMS FOR CONTEMPT OF CONGRESS AND PASSPORT FRAUD.

"WHOEVER TODAY DESERTS THE (EAST) GERMAN DEMOCRATIC REPUBLIC FOR THE CAMP OF THE WEST GERMAN MILITARISTS AND CAPITALISTS," EISLER WROTE IN THE NEWSPAPER BERLINER ZEITUNG, "COMMITS A CRIME OF THE SAME MAGNITUDE AS THOSE WHOSE CONFUSION LED THEM TO FOLLOW THE ENTICEMENTS OF THE NAZI PARTY."

A TOTAL OF 973 REFUGEES HAVE REGISTERED AT THE MARIENFELDE RECEPTION CENTER IN THE PAST 24 HOURS. SEVEN DAYS AGO, THERE WERE 1,095 ARRIVALS. OFFICIALS ATTRIBUTED THE LARGER NUMBER OF ARRIVALS A WEEK AGO TO A PROTESTANT RALLY THAT BROUGHT THOUSANDS OF PILGRIMS HERE FROM EAST GERMANY AND EAST BERLIN. MANY OF THEM DECIDED TO STAY IN THE WEST.

EAST GERMAN COMMUNIST LEADER WALTER ULRICH TOLD PARTY FUNCTIONARIES THEY MUST TAKE STEPS TO HALT THE EXODUS.

AFTER BERATING THEM FOR NOT KEEPING THEIR CONSTITUENTS INFORMED ABOUT THE REGIME'S PROBLEMS AND PLANS, HE SUGGESTED THEY DO SOMETHING TO IMPROVE THE CITIZEN'S LOT.

"SEE TO IT THAT LIFE IN THE DDR (EAST GERMANY) DEVELOPS IN SUCH A WAY THAT EVERYBODY FEELS AT HOME AND UNDERSTANDS THAT THERE ARE NO REASONS TO LEAVE GERMANY'S FIRST PEASANTS' AND WORKERS' STATE FOR THE ENEMY'S CAMP."

ULRICH'S STATEMENTS, MADE BEFORE A PARTY CONGRESS NEAR LEIPZIG, EAST GERMANY, LAST WEEK, WERE PUBLISHED TODAY BY THE OFFICIAL PARTY PAPER, NEUES DEUTSCHLAND.

LU909PED

A97 950

AP FOREIGN SERVICE ADVANCE FOR WEDNESDAY PMS
EDITOR'S NOTE: THERE HAVE BEEN MANY STORIES ABOUT THE NUMBERS OF REFUGEES FLOWING OUT OF EAST GERMANY. HERE, TO SHOW SOME OF THE WHYS AND HOWS BEHIND THESE FIGURES, IS THE STORY OF JUST ONE REFUGEE FAMILY, A YOUNG MAN, HIS WIFE AND THEIR BABY.
BY CARL HARTMAN

(ADVANCE)..BERLIN, JULY 26 (AP)-SOME PEOPLE ESCAPE FROM COMMUNIST EAST GERMANY BY SPEEDING A CAR THROUGH A CONTROL POINT MANNED BY THE RED PEOPLE'S POLICE.

ONE MAN GOT HIS HERD OF SHEEP INTO WEST BERLIN AND MANAGED TO FOLLOW WITH HIS DOG BEFORE THE BORDER GUARD WOKE UP.

MOST REFUGEES DON'T DO ANYTHING SO SPECTACULAR.

MANFRED H., LIKE THE MAJORITY, FLED COMMUNIST RULE IN NOTHING MORE DRAMATIC THAN A COMMUTERS' TRAIN. HE CAME WITH HIS WIFE LUISE, A PRETTY BLUE-EYED BRUNETTE, AND ANGELA. ANGELA IS A YEAR OLD AND HAS A NASTY BRUISE ON HER NOSE BECAUSE SHE DOES NOT YET WALK VERY WELL.

SHE DOES NOT HAVE TO. THE H.'S BROUGHT A SURPRISING AMOUNT OF BAGGAGE, AND ANGELA'S STREAMLINED BABY CARRIAGE.

"IT'S HARD ON THE NERVES, THOUGH," SAID LUISE QUIETLY.

MANFRED EXPLAINED, IN GREAT DETAIL, HOW IT WAS DONE. HE IS A TRAIN DISPATCHER AND KNOWS ALL THE ANGLES. HE IS A GOOD-LOOKING MAN OF 28, CAREFULLY DRESSED IN A SHODDY SPORTS JACKET AND SLACKS, WITH A NECKTIE TO SHOW HE ISN'T AN ORDINARY WORKMAN.

WHEN I MET THE FAMILY ON A BENCH IN THE YARD OF THE MARIENFELDE REFUGEE CAMP, MANFRED AND LUISE WERE MUNCHING BANANAS. IN LEIPZIG YOU ONLY GET BANANAS TWICE A YEAR, WHEN THE BIG INTERNATIONAL TRADE FAIR IS ON.

THE H.'S LIVED IN LEIPZIG, IN A 2 1/2 ROOM APARTMENT ON THE THIRD FLOOR OF A FOUR-STORY HOUSE. BETTER NOT TO SAY JUST WHERE, OR GIVE THE REST OF THEIR NAME. THE ROOF WAS SO BAD -- NOT FROM BOMBING, MANFRED EXPLAINED, BUT FROM NEGLECT -- THAT THE PEOPLE ON THE TOP FLOOR HAD TO MOVE OUT AND THE RAIN CAME THROUGH THE THIRD FLOOR CEILING.

OUTSIDE OF THAT, IT WASN'T A BAD APARTMENT AS LEIPZIG APARTMENTS GO AND THE RENT WAS CERTAINLY CHEAP. IT HAD TO BE. AFTER 12 YEARS OF WORKING FOR THE STATE-OWNED RAIL SYSTEM, MANFRED WAS STILL MAKING 500 MARKS A MONTH -- \$125 AT THE OFFICIAL RATE, BUT A GOOD DEAL LESS IN PURCHASING POWER.

LUISE WORKED FOR THE RAILROAD TOO UNTIL ANGELA CAME. SHE WAS ONE OF THE GIRLS YOU SEE ON MOST EAST GERMAN STATION PLATFORMS, WAVING A TIN SIGNAL WHEN IT'S TIME FOR THE TRAIN TO GO.

THEY HAD A CHURCH MARRIAGE BUT MANFRED THOUGHT IT WISE NOT TO MENTION THAT AT THE OFFICE.

"IT WOULDN'T HAVE DONE ME ANY GOOD," HE SAID.

LUISE HAD TO SPEND ALL HER TIME ON HOUSEWORK AND SHOPPING. IT'S NOT THAT ANYONE IS STARVING IN EAST GERMANY. THERE'S FOOD TO BUY -- BREAD AND CABBAGE, MOSTLY, AND MEAT AND SAUSAGE IN THE SMALL QUANTITIES POOR PEOPLE CAN AFFORD.

BUTTER AND POTATOES ARE RATIONED, THE POTATOES SINCE 1939. THE RATIONING OF BUTTER, REINTRODUCED ABOUT A YEAR AGO, IS A PARTICULAR HARDSHIP FOR EAST GERMANS, WHO ARE NOT MUCH USED TO OTHER FATS.

"HAVE YOU EVER TASTED OUR MARGARINE?" ASKED MANFRED, FORGETTING FOR A MOMENT THAT HE WAS NOW IN THE WEST.

THEIR PARENTS LEFT FOR WEST GERMANY SOME YEARS AGO. THEN THE YOUNG PEOPLE TRIED TO GET PERMISSION TO GO, OR EVEN TO VISIT THE OLD FOLKS. THE AUTHORITIES STALLED. IT WAS ALL RIGHT WITH THE POLICE, BUT THE RAILROAD PEOPLE WOULDN'T ALLOW IT.

"THEY DON'T MIND PEOPLE LEAVING AFTER THEY'RE ON AN OLD AGE PENSION," MANFRED EXPLAINED. "BUT WHEN YOU'VE GOT A JOB, IT'S DIFFERENT. AND THEN, FOR SOMEONE LIKE ME, IT WAS PRESSURE ALL THE TIME. I WASN'T IN THE PARTY -- YET. BUT EVERYBODY MADE IT CLEAR

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THAT IF I DIDN'T JOIN, I'D NEVER GET ANYTHING MUCH IN THE WAY OF A JOB. IT WAS POUND, POUND, POUND ALL THE TIME, AND I DIDN'T WANT TO DO IT."

SO LAST SPRING THEY STARTED TO MAKE THEIR PLANS. THEY SENT SPARE CLOTHES AND BEDDING TO THEIR PARENTS IN THE WEST, BY MAIL. THEY WERE CAREFUL TO TAKE THE PACKAGES OUT ONLY AT NIGHT. THEY THOUGHT ABOUT SELLING THEIR FURNITURE BUT DID NOT DARE AS A LOCAL PARTY SECRETARY LIVED IN THE APARTMENT DOWNSTAIRS, WHERE THE RAIN DIDN'T LEAK IN.

MANFRED SET OFF ALONE ON A PRELIMINARY TRIP TO BERLIN, WITH A HEAVY SUITCASE THAT HELD SOME OF THEIR MORE PRECIOUS BELONGINGS. AT SCHOENEFELD, ON THE SOUTHERN EDGE OF THE CITY, THERE WAS A POLICE CHECK.

"THEY HAD AN OLD FIRST-CLASS PASSENGER CAR ON A SIDING," MANFRED RECALLED. "EACH COMPARTMENT HAD A CURTAIN OVER THE DOOR. THEY PUT YOU IN ONE FOR A WHILE AND LEAVE YOU THERE, WITH A GUARD OUT-SIDE, MANFRED RECALLED. "THEN A POLICEMAN COMES IN AND QUESTIONS YOU."

"WHERE ARE YOU GOING? WHY? WHAT HAVE YOU GOT THIS IN YOUR VALISE FOR, INSTEAD OF THAT?"

THEY WOULDN'T BELIEVE HIS STORY AND SENT HIM BACK TO LEIPZIG. BEFORE HE GOT THERE, THE POLICE VISITED LUISE.

"THEY WERE POLITE ENOUGH," SHE SAID, "BUT IT WAS SCARY JUST THE SAME."

SHE SUCCEEDED IN CONVINCING THEM AT SHE KNEW NOTHING ABOUT ANY PLAN TO GET AWAY.

WHEN MANFRED GOT HOME THEY PUT A NOTE IN HIS WORKBOOK THAT HE HAD BEEN FOUND TRYING TO REACH BERLIN UNDER SUSPICIOUS CIRCUMSTANCES.

SO THEY WENT ABOUT THINGS MORE CAREFULLY. THEY PLANNED A VACATION ON THE BALTIC SEA. MANFRED ARRANGED THE TICKETS SO THEY COULD STOP AT BERLIN AND SEE SOME RELATIVES.

KNOWING THE SCHEDULES, HE FIXED IT SO THEY WOULD HAVE TO TAKE A LOCAL TRAIN INTO BERLIN THAT PASSES THROUGH THE WESTERN SECTORS. BETWEEN THE SUBURBS AND THE CITY THERE WERE TWO BRIEF CHECKS OF IDENTITY CARDS, RAILWAY TICKETS AND BAGGAGE.

THEY HAD TAKEN THE ADDITIONAL PRECAUTION OF GOING AT THE RUSH HOUR, WHEN THE CHECKS ARE LESS CAREFUL.

"IT WAS HARD ON THE NERVES ANYHOW," SAID LUISE.

WHEN THE TRAIN STOPPED AT A STATION IN THE FRENCH SECTOR, THEY JUST GOT OUT AND CHANGED TO ANOTHER THAT BROUGHT THEM RIGHT TO MARIENFELDE. IT WAS AS SIMPLE AS THAT.

WHY, I ASKED, DON'T THE COMMUNISTS KEEP PEOPLE OFF THE TRAINS THAT PASS THROUGH THE WESTERN SECTORS?

"THEY COULD DO A LOT OF THINGS," SAID MANFRED THOUGHTFULLY,

"AND THEY COULD MAKE THEMSELVES A POTFUL OF TROUBLE, TOO."

(END ADVANCE FOR WEDNESDAY PMS--MOVED JULY 25).

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BY JOHN O. KOEHLER (340)
BONN, GERMANY, JULY 26 (AP)-A POSSIBLE WESTERN PROPOSAL TO ACCEPT THE ODER-NEISSE LINE AS THE POLISH-GERMAN FRONTIER IS NO BASIS FOR NEGOTIATIONS ON BERLIN AND GERMANY, AUTHORITATIVE SOVIET SOURCES SAID PRIVATELY HERE TODAY.

"WE WILL NOT COME TO NEGOTIATIONS TO HAGGLE OR TRADE A HOUSE FOR A CAT BECAUSE AS FAR AS WE ARE CONCERNED THE ODER-NEISSE QUESTION WAS SETTLED AT POTSDAM IN 1945," ONE OF THESE SOURCES SAID.

THIS COMMENT RESULTED FROM PUBLISHED REPORTS THAT SOME U.S. GOVERNMENT OFFICIALS FEEL THE ODER-NEISSE QUESTION MIGHT BE A BASIS FOR DICKERING ON A GUARANTEE FOR WESTERN RIGHTS IN GERMANY AND FOR FREEDOM OF BERLIN.

GERMAN TERRITORY EAST OF THE ODER AND NEISSE RIVERS AND PARTS OF EASTERN PRUSSIA WERE TURNED OVER TO POLISH ADMINISTRATION AT

POTSDAM WITH A PROVISION THAT FINAL SETTLEMENT OF THE BOUNDARY MUST BE MADE IN A PEACE TREATY.

THE POLISH AND SOVIET GOVERNMENTS HAVE LONG MAINTAINED THAT THEY CONSIDER THE ODER-NEISSE LINE A FINAL BOUNDARY.

"ACCORDING TO THE POTSDAM DECISION, WHICH ALL THE BIG FOUR POWERS SIGNED, ABOUT FIVE MILLION PEOPLE WERE EVACUATED FROM THIS TERRITORY AND IT IS NO GOOD TO PLAY WITH THE FATE OF THESE PEOPLE," A SOVIET SOURCE SAID.

MOST OF THE REFUGEES NOW LIVE IN WEST GERMANY.

BONN GOVERNMENT SOURCES SAID CHANCELLOR KONRAD ADENAUER WOULD NOT WELCOME ANY SETTLEMENT OF THE ODER-NEISSE PROBLEM OUTSIDE A PEACE TREATY. ONE EXPLAINED:

"WE FEEL THAT THE PRESENT CRISIS ISN'T EVEN RIPE ENOUGH TO MAKE ANY KIND OF PROPOSALS WHICH MIGHT SERVE AS A BASIS FOR NEGOTIATION....WE SHOULD LET PREMIER KHRUSHCHEV STEW IN HIS OWN JUICE FOR A WHILE."

ON THE OTHER HAND THE SOVIET SOURCES SAID THEY EXPECT A FOUR-POWER CONFERENCE ON BERLIN AND GERMANY IN THE NEAR FUTURE AT WHICH "THERE PROBABLY WILL BE COMPROMISES ON BOTH SIDES."

"AFTER ALL," ONE SAID, "WE DO NOT WANT TO FIGHT BUT AT THE SAME TIME WE MUST SAVE FACE AND THE UNITED STATES MUST DO THE SAME." THEY CONTENDED THERE IS NO QUESTION BUT THAT THE SOVIET UNION WILL SIGN A PEACE TREATY WITH COMMUNIST EAST GERMANY THIS YEAR AND INSIST THAT THE WESTERN ALLIES NEGOTIATE FREE ACCESS TO BERLIN WITH THE EAST GERMANS.

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END JULY 26, 1961